

Mitterrand Refuses Reagan Invitation To Allies' Meeting

By Michael Dobbs

PARIS — President François Mitterrand turned down Tuesday an invitation from President Ronald Reagan to the leaders of six major industrial nations to attend a meeting in New York this month to discuss November's U.S.-Soviet summit meeting.

French political analysts said that Mr. Reagan's invitation had come at an embarrassing time for Mr. Mitterrand, who was due Wednesday to greet Mikhail S. Gorbachev on his first visit to the West as Soviet leader.

France is anxious to stress that it has an independent voice in world affairs and is more than just a loyal ally of the United States.

Czech Plane Fires at U.S. Copter Over W. Germany

By Michael Weisskopf

WASHINGTON — A Czechoslovak military jet crossed into West Germany on Saturday and fired at least two missiles at a U.S. Army helicopter flying a "routine" observation mission near Czechoslovakia's southwest border, Pentagon officials said Tuesday.

The Cobra attack helicopter carrying a two-man crew was not struck and returned safely to its base near Nuremberg without firing back, said Robert M. Sims, a Pentagon spokesman.

The United States filed a "strong protest" with the Czechoslovak Embassy on Monday, Mr. Sims said. The Cobra, he said, had done nothing to provoke "this irresponsible act which endangered the lives of the U.S. crewmen."

The incident was the 17th violation of West German airspace by Warsaw Pact aircraft in the last six months but the first in which missiles were fired at a U.S. aircraft, according to Mr. Sims.

In April 1984, a U.S. Cobra came under missile and cannon attack from two Soviet-built planes as it flew an observation patrol along the West German-Czechoslovak border. The West German border police said later that the helicopter, which escaped damage, apparently had strayed into Czechoslovakia.

A Pentagon official said that Saturday's attack took place over West Germany, near the town of Freyung. He said that intelligence reports indicate that the pilot of the Czechoslovak L-39 jet trainer knew the Cobra had not strayed across the border.

"You have to believe either they're not under positive control or the incident was deliberate provocation," he said of the Czechoslovak pilot.

A State Department official said that the attack reflected the "cat-and-mouse game" played by opposing aircraft patrolling the borders separating Warsaw Pact and NATO nations. There was no indication that the L-39 intended to hit the Cobra, the official said.

"I don't think a chopper would have been too hard to hit if they took aim," he said. "But we need to remind them that we take these things seriously. Maybe next time they won't miss."

Mr. Sims said that the L-39 fired two to four rockets without warning. He said he did not know the type and range of the air-to-air missile.

The analysts said that Mr. Mitterrand's refusal to join other Western leaders was likely to strengthen his negotiating hand with Mr. Gorbachev during their three days of formal talks.

According to senior French officials, France has refused to sign a joint communiqué, to be issued during Mr. Gorbachev's visit, that would have condemned the militarization of space and Mr. Reagan's Strategic Defense Initiative.

A communiqué from the Elysée presidential palace said that Mr. Mitterrand would not attend the meeting in New York on Oct. 24, but it added that he would be happy to meet with Mr. Reagan at a later date.

Other U.S. allies invited to the New York meeting on arms control and East-West relations are Britain, West Germany, Canada, Italy and Japan.

A spokesman for the French president, Michel Vauzelle, said earlier that meetings of the kind suggested by Mr. Reagan could "perhaps be judged useful but do not seem to be absolutely indispensable."

He said, "It isn't necessary to go to New York to meet other partners or make known the European point of view on East-West relations."

France has traditionally viewed with suspicion what it sees as attempts to turn the annual economic summit meetings of the seven leading Western industrialized countries into a kind of political directive.

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The statement by a group calling itself the "Liberation Organization — Khaled Ibn al Walid Forces" said:

"We will start carrying out the death sentence on the first hostage at 9 P.M. unless the atheistic campaigns against Islamic Tripoli stop."

Tripoli, the port city in northern Lebanon, is ringed by Syrian troops, tanks and artillery; its leftist militia backed by Damascus are attacking pro-Iranian Moslem fundamentalists for control of the port.

The Soviet Union is a close ally of Syria and is its main arms supplier.

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The PLO's headquarters south of Tunis lay in ruins after the Israeli air raid on Tuesday.

Moslem Group Releases Photos of 4 Soviet Hostages

By Andrew Tarnowski

Reuters

BEIRUT — A Moslem group holding four Soviet embassy officials hostage in Lebanon released photographs Tuesday of them with pistols at their heads and threatened to execute one of the men.

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group that has claimed credit for previous kidnappings in Beirut.

In a rash of conflicting claims, anonymous callers to one international news agency said that Islamic Jihad held the four men and would start executing them Tuesday afternoon.

But a caller claiming to speak for Islamic Jihad denied that the group had any connection with the kidnappers.

"Islamic Jihad organization categorically denies any relation with a statement attributed to it regarding the kidnapping of the Soviet diplomat," the caller said.

An earlier caller had said that Islamic Jihad had killed two of the Soviet hostages.

The four men are the first Russians seen in West Beirut, where Islamic Jihad has claimed responsibility for a number of kidnappings of Westerners in the past 20 months.

Islamic Jihad is believed to be holding six Americans and four Frenchmen among a total 14 other foreigners missing after being abducted in the Moslem sector of Beirut.

All claims about the Russians linked the abductions to the fighting in Tripoli.

STOP THE ADVANCE ON MOSLEM

(Continued on Page 5, Col. 4)

Israeli Planes Destroy PLO Headquarters in Tunis; At Least 30 Die

Compiled by Our Staff From Dispatches

TUNIS — Israeli jets destroyed the Palestine Liberation Organization headquarters Tuesday in retaliation for the murders Sept. 25 of three Israelis in Cyprus.

Yasser Arafat, the chairman of the PLO, was not injured. He had returned Monday night from Morocco but was not at the three-building compound in the Tunis suburb of Bori Cedra when the jets attacked, a Palestinian source said.

A PLO spokesman said that about 60 people were killed in the raid, including many Tunisians. Medical sources in Tunis put the death toll at about 50, and said that about 100 were injured.

In Tel Aviv, Major General Moshe Levy, the Israeli chief of staff, said that 30 to 50 people were killed and more were wounded.

General Levy also indicated that Mr. Arafat was a target, saying he knew that he was expected at the scene at the time of the attack.

President Ronald Reagan said in Washington after the raid that nations have the right to retaliate against terrorist attacks "as long as you pick out the people responsible."

The president asked whether U.S.-manufactured planes were involved, said: "I'm not going to comment on that at all and I don't know. I don't know the facts."

Asked whether the Israelis had chosen the "responsible people" in their air raid, the president said: "I've always had great faith in their intelligence."

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| Algeria | 6.80 Dls. | Iraq | 15.17 Dls. | Norway | 7.00 Dls. |
| Austria | 20.5 | Ivory Coast | 1,700 Lrs. | Portugal | 2.70 Reis |
| Bahrain | 6.65 Dls. | Jordan | 450 Frs. | Portugal | 2.70 Reis |
| Belgium | 1.17 | Kuwait | 510 Dls. | Qatar | 4.80 Dls. |
| Canada | 1.20 | Lebanon | 200 Frs. | Qatar | 4.80 Dls. |
| Cyprus | 1.20 | Malta | 200 Frs. | South Africa | 1.00 R. |
| Denmark | 8.00 Dls. | Lebanon | 1,000 Frs. | Saudi Arabia | 1.00 R. |
| Egypt | 110 P. | Lebanon | 1,000 Frs. | Saudi Arabia | 1.00 R. |
| Finland | 7.00 P. | Lebanon | 1,000 Frs. | Saudi Arabia | 1.00 R. |
| Germany | 2.20 Dls. | Malta | 35 Cent. | Turkey | 1.50 Dls. |
| Great Britain | 50 P. | Morocco | 6.50 Dls. | U.A.E. | 1.50 Dls. |
| Iceland | 80 Dls. | Morocco | 27.50 P. | U.S. M. | 1.50 Dls. |
| Iraq | 115 Dls. | Yugoslavia | 170 L. | Yugoslavia | 1.50 Dls. |

Defense Minister Yitzhak Rabin said: "This action was intended to warn that there is no immunity to any PLO group anywhere in the world and the long hand of the IDF will know how to find them to hurt them." The reference was to the Israeli Defense Forces.

It was the deepest Israeli penetration raid into Arab territory and the most distant operation since the air force rescued Israeli held in Uganda in 1976.

Witnesses said six to eight jets took part, but Israeli authorities refused to confirm the figures. Officials said that the planes flew a 1,500-mile (2,500-kilometer) round trip and refueled in mid-flight.

Mr. Arafat later toured the devastated site but would make no comment. According to a report from the Kuwait press agency in Tunis, Mr. Arafat narrowly escaped death, changing his mind about visiting the headquarters minutes before the Israeli jets swooped down.

At least one of the dead was a member of Force 17, Mr. Arafat's elite bodyguard. Israel blamed Force 17 for the murders Sept. 25, the Jewish holy day of Yom Kippur, of two men and a woman aboard an Israeli yacht anchored at Larnaca, Cyprus.

Israeli gunmen who said that they were fighting for the Palestinians surrendered after the killing of them was a Briton, according to the Histadrut labor federation in Tel Aviv, Prime Minister Menachem Begin said: "We will not let the Larnaca affair and we will not give it up."

The Tunisian government requested a session of the United Nations Security Council to condemn the attack.

In Luxembourg, European community foreign ministers condemned the raid and emphasized the president of the European Council to meet a joint Palestinian-Jordanian peace delegation that the United States and Israel have refused to accept.

Egypt denounced the attack and said that it would refuse to receive an Israeli delegation due in Cairo this week for talks on Taba, a small stretch of beach on the Red Sea that is claimed by both countries.

AN EGYPTIAN STATEMENT

(Continued on Page 5, Col. 1)



Photos released Tuesday show the four Russians abducted in Beirut. They are at top, from left, Oleg Spirine and Arkady Katakov, and at bottom, from left, Valery Mirkov and Nikolai Svirsky. The photos were cut by the kidnappers to show only the men and the guns held to their heads.

Soviet Says U.S. Fails to Reply Positively on Arms

By James M. Markham

New York Times Service

GENEVA — The chief Soviet negotiator at the Geneva arms talks accused the United States on Tuesday of failing to respond positively to what he called a balanced and comprehensive proposal for the reduction of nuclear weapons.

In an unusually lengthy conversation with journalists before Tuesday's special plenary session, Viktor P. Karpov, the chief Soviet delegate, said his government's proposal could be the basis for further discussions and decisions.

"So what we need for progress is that the American side change the attitude towards the discussions," said Mr. Karpov, who spoke in English inside a Soviet residential compound here. "And we'll take a stand that will allow both delegations to work together, having in mind the same aim — preparing concrete practical results."

Mr. Karpov outlined the new Soviet offer Monday and gave further details Tuesday in a 90-minute meeting with the American delegation, led by Max M. Kampelman. Much of Tuesday's session was understood to have been devoted to a reiteration of known Soviet positions, including a call for a ban on

the further deployment of nuclear weapons.

Mr. Karpov denied Tuesday that the proposal was tilted to favor the Soviet side. "It's as balanced as I'm standing on my feet," he said. "It covers all three areas of the discussions and it's well balanced."

■ U.S. Assays Soviet Offer

Earlier, Hedrick Smith of the New York Times reported from Washington:

U.S. officials said that the Soviet proposal to reduce U.S. long-range and medium-range offensive weapons by 50 percent, while offering a parallel reduction that would cover only Soviet long-range weapons, made such cutbacks conditional on a ban on research into space-based defenses — which the Soviet Union calls "space strike weapons" — and a ban on testing or deployment of space-based defenses or anti-satellite weapons.

These officials said it was important that Moscow was willing to put forward a concrete proposal — in a Time magazine interview with Mikhail S. Gorbachev, the Soviet leader, and comments to a group of U.S. senators visiting Moscow — that the Kremlin might accept basic laboratory research on anti-missile defenses.

Mr. Karpov was regarded in Washington as a retreat from recent indications — in a Time magazine interview with Mikhail S. Gorbachev, the Soviet leader, and comments to a group of U.S. senators visiting Moscow — that the Kremlin might accept basic laboratory research on anti-missile defenses.

Other officials contend that

the Soviet stand was so tough that it might preclude serious give-and-take.

"A 50-percent reduction sounds good," said another official. "But when you look at the actual numbers, a reduction of 50 percent of what it's worse than what we had expected."

Administration specialists in arms control said they were disturbed by a renewed Soviet effort to force reductions in American nuclear systems based in and near Europe and capable of striking the Soviet Union. They said Moscow had offered no comparable limitations on its medium-range nuclear weapons based in Europe.

The Russians asserted that the United States had a total of more than 3,300 strategic delivery vehicles that would be affected by its proposal of a 50-percent cut. The tally includes Pershing-2 missiles, ground-launched cruise missiles and American nuclear bombers based in Europe or on aircraft carriers in the Mediterranean, as well as long-range American bombers and intercontinental missiles.

By comparison, the Soviet Union said its own total was 2,504, according to American officials. But

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(Continued on Page 5, Col. 1)

In Brazil, Democratic Groups Face Tough Struggle Against Entrenched Power Blocs

By Alan Riding
New York Times Service

RIO DE JANEIRO — When the armed forces stepped down in Argentina in December 1983, and in Uruguay 15 months later, the political parties of coup days immediately reappeared. Congress came alive, and something that could be recognized as the democracy of yore returned.

But when 21 years of Brazilian dictatorship ended in March, neither the tradition nor the structure of party politics was ready to fill the vacuum. There was hardly a memory of democracy.

Only Brazilians at least 45 years old could have voted for a president, and no pre-1964 parties survived. Many people here seemed unsure of what to expect.

As a result, six months after the

change, Brazilians are enjoying considerable political freedom, but the entrenched power of the military, business and the democratic élite barely has been touched. The country's democratic institutions have been too weak to begin generating significant reforms.

Moreover, the country has recently witnessed the spectacle of a knockdown battle between Congress and the press, the democratic institutions that had suffered most during the dictatorship. Newspapers have portrayed Congress as crowded with lazy, overpaid, and even corrupt politicians, while congressional leaders have accused journalists of promoting a new coup by undermining democracy.

Among the political parties, it is as if former allies against the dictatorship now were free to be enemies. Rather

than growing in strength and authority, the five parties that existed when the military left office have broken into squabbling factions, while 25 new and invariably minuscule parties have appeared, revolving more around the ambitions of individual politicians than ideals or voter interests.

Optimists argue that the complex task of constructing Brazil's first authentic democracy now is under way, with new, more representative forces likely to emerge from local and national elections scheduled over the next three years.

But not a few skeptics have concluded that, in the words of the popular playwright Dias Gomes, "the new system is the old system with a face-lift."

In reality, the armed forces skillfully prepared the ground to avoid a sharp break with the past. For example, a 1979

general amnesty at first seemed to benefit only former guerrillas. But it now protects military officers held responsible for human rights abuses from facing the kind of charges that were brought

candidate, Tancredo Neves, because it felt confident he would not be indicted.

To win, Mr. Neves formed a Democratic Alliance between opposition groups and dissidents who left the ruling party and joined him. This meant that his cabinet was crowded with faces that, in the eyes of the public, had long been identified with the dictatorship.

When the 75-year-old president-elect died before taking office, it was his running mate, the former head of the pro-military Democratic Social Party, José Sarney, who succeeded him.

While enjoying considerable popularity, however, Mr. Sarney has lacked the power to maintain the Democratic Alliance as a functioning coalition. Campaigning is under way for crucial municipal elections in state capitals in

November, and many ministers who supposedly are working together in government are fighting each other on the hustings.

Without a strong executive, many of the characteristics of pre-1964 politics have again surfaced. A function of Brazil's vastness, regional competition for power has intensified, with many states resentful of the dominance of people from São Paulo, the largest city.

In the absence of strong parties, "caudillo" politics, built around well-known personalities, also has returned, with a former president, Jânio Quadros, and the governor of Rio de Janeiro state, Leonel Brizola, each winning an audience with populist messages.

But this old-style politics seems out of place because, in contrast to the experiences of Argentina and Uruguay, Bra-

zil's ruling officers dramatically modernized and expanded the country's economy.

Meanwhile, the population doubled and the country's vast interior was opened up. Now, the eighth largest economy in the West is coexisting with an antiquated and, in some regions, even feudal political system.

While political parties have awakened little popular enthusiasm, new forms of organization are appearing. The labor movement has flexed its muscles with several recent strikes. Tens of thousands of neighborhood associations and church-linked "base communities" are mobilizing poor and middle-class people to raise their voices for the first time. But it is too early to tell whether this grassroots democracy can eventually influence the way Brazil is governed.

U.S. Lowers Estimate Of Soviet Plane's Range

By Michael R. Gordon
New York Times Service

WASHINGTON — The Defense Intelligence Agency has significantly lowered its estimate of the range of a Soviet bomber that has figured in the Geneva arms talks, according to Reagan administration officials.

Administration experts said Monday that the new estimate reinforced the contention by some arms control proponents that the TU-26 bomber, better known in the West as the Backfire, was designed to attack ships and targets in Europe and Asia, not in the United States.

The lower estimate raises questions about the administration's decision to treat the Backfire as part of Moscow's long-range nuclear arsenal in the Geneva talks.

But some administration officials said they expected the United States to keep its position that the Backfire should be limited by any future arms control agreement because the Soviet Union could add to the bomber's refueling capacity.

The potential threat of the Backfire to the U.S. mainland was debated in the late 1970s by supporters and opponents of the 1979 treaty to limit strategic nuclear arms.

The Backfire was not defined as a "heavy bomber" in that treaty. In return, the Soviet Union assured the United States in a side agreement that the production rate of the bomber would not exceed 30 a year, and that Moscow would not give the Backfire the capacity to carry out intercontinental missions.

During the treaty debate, Carter administration officials said that the bomber's ability to carry out intercontinental strikes was limited. They also maintained that an effort to classify the Backfire as a strategic bomber would lead the Soviet Union to step up its demands for limits on American aircraft based in Europe, a restriction opposed by the United States.

But critics of the 1979 treaty said that the Backfire should be treated as a heavy bomber. They said the plane could carry a heavy load of weapons to attack the United States and then return to the Soviet Union or land at Cuban airfields.

Adding fuel to the controversy was a split between the Defense Intelligence Agency and the Central Intelligence Agency over the Backfire's range. The CIA took the less extensive view of the bomber's range and armament.

The Soviet Union insisted throughout the treaty talks and since that the bomber lacked the range to mount a credible threat to the United States. The Reagan administration's position at the Geneva arms talks has been that the

U.S.'s Inflation Rises 0.4%

Reuters

ROME — Inflation in Italy rose 0.4 percent in September after a 0.2-percent increase in August, the official statistics institute, ISTAT, reported Tuesday. The year-to-date rise for September was 8.3 percent, compared with 8.6 percent in August.

Backfire should be counted as a heavy bomber.

And the Pentagon's latest report on Soviet military power expressed the former Defense Intelligence Agency view that the Backfire had an unrefueled combat range of about 3,000 miles (4,850 kilometers). That range assumes the bomber will fly at a high altitude to conserve fuel, coming in low only to attack. Some military analysts say that assumption is unrealistic because such a tactic would make the bomber easier to detect.

An administration official said the new estimate meant "basic harmony" for the American intelligence branches over the plane's abilities. An official argued that the intelligence report established that the bomber should not be in the "strategic category."

But a Pentagon official disagreed, saying: "While the question of the bomber's range may be an important debating point for analysts, it is not central to the military significance of the aircraft. Nobody claims that the Backfire cannot reach the U.S. if based in arctic regions and if it is refueled."

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ATHENS — The defection of a senior Soviet military intelligence officer who was based in Greece and the arrest of three alleged spies in the Greek armed forces have fueled an intense political dispute here over the extent of Soviet spying in this NATO nation.

U.S. officials confirmed last week that Sergei Bokhan, 49, the deputy director of Soviet military intelligence, had defected to the United States in May and had provided information about Soviet spies' alleged penetration of the Greek government.

Last week Constantine Mitsotakis, the leader of the conservative opposition, said Mr. Bokhan's revelations made it clear that Russians had infiltrated the Foreign Ministry, the armed forces, businesses and the press.

Prime Minister Andreas Papandreou denied the allegations, saying that only the three persons arrested were involved in spying. He also accused the United States of refusing to allow Greek officials to question Mr. Bokhan and of withholding information on the case.

Reagan administration officials had no immediate comment on Mr. Papandreou's accusations.

Mr. Papandreou said last week that Mr. Mitsotakis' charges were intended to destabilize democracy in Greece and to undermine his government's independent foreign policy. He also implied that the United States was behind the reports of widespread spying.

Sources close to the case say that Mr. Bokhan is providing valuable information on the Soviet spying network in Greece and elsewhere.

The information, they said, will be passed on to Greek officials only on a gradual and selective basis because of a lack of trust in the

Sparrow Species Is Cut to 2

The Associated Press

ORLANDO, Florida — One of only three remaining dusky seabirds known to exist has died, bringing the fragile species one step from extinction, said experts at Walt Disney World.

The information, they said, will be passed on to Greek officials only on a gradual and selective basis because of a lack of trust in the



SAFE SMILE — Klaas de Jonge, who is sought by South Africa on charges of smuggling arms to black guerrillas, smiled from a window of the Dutch Embassy in Pretoria on Tuesday. Embassy officials denied that the police removed Mr. de Jonge, who has had sanctuary since July, when the building's lease expired Tuesday.

Authorities closed 464 schools

Kohl Aide Urges Accord With U.S. on SDI Role

By James M. Markham
New York Times Service

BONN — Chancellor Helmut Kohl's national security adviser has called for a governmental agreement with the United States to continue the participation of West German industry in the Reagan administration's research program for an anti-missile shield.

The security adviser, Horst

Telschik, said Monday that it was "a vital interest" for West Germany to take part in the U.S. research effort, and he said a decision to strike a government-to-government accord could be reached by the end of this year or early next year.

Mr. Telschik's endorsement of West German participation in the Strategic Defense Initiative was the Kohl government's first public

statement on the issue since Mr. Telschik returned from an 11-day fact-finding mission in the United States last month.

Speaking at a seminar at the Konrad Adenauer Foundation outside Bonn, Mr. Telschik appeared eager to establish firm West German support for the U.S. research program, to banish doubts about Bonn's attitude. In recent days,

He identified the Soviet officials to whom he gave information as Mikhail Bludov, Aleksandr Kalinin and Valery Kochanov. All three were stationed at the Soviet Commercial Mission in Athens beginning in 1973, but are no longer in the country.

Mr. Kochanov left after Mr. Bokhan defected, according to Mr. Telschik.

Diplomatic sources said that while Athens has pressed Washington for permission to talk to the defector, it has not demanded that Moscow grant access to the Soviet officials.

Conservative and centrist opposition members in the Greek parliament have demanded that the government explain its role in handing over Mr. Bokhan's family, its inability to combat Soviet infiltration and its purported unwillingness to offend Moscow.

The Greek government so far has filed only a lower-level protest about the spying incidents to a Soviet chargé d'affaires.

One of them, Michael Megalocionomou, 37, confessed to the in-

vestigating magistrate. He also said that he had been blackmailed by the Russians.

Mr. Telschik said Monday that the sources said Mr. Bokhan had suffered personally by defecting because the Greek government had agreed to Soviet demands to overrule his wife and 7-year-old daughter.

The United States has said that Mr. Bokhan went to Washington voluntarily. Sources in Athens said he had given the CIA the names of Greek collaborators as well as information on how Moscow obtained Western technology by operating in Greece.

Sources here said Mr. Bokhan also supplied information on how the Greek press was manipulated to foster anti-Western sentiment and on Soviet support for some terrorist activities in the West.

Shortly after Mr. Bokhan defected, the Greek authorities arrested Constantine Serepios, 35, a naval officer, and two Greeks who were working for Hewlett-Packard Co. and ITT. All have been charged with spying.

The Greek government so far has filed only a lower-level protest about the spying incidents to a Soviet chargé d'affaires.

During this period we aim to visibly turn around the economy and lay a solid foundation for a healthier long term development," Major General Ibrahim Babangida, who seized power a month ago, said in a nationwide broadcast.

General Babangida also promised, without giving details, that next year he would announce a program for Nigeria's political future. This has been seen in the past as a hint of an eventual return to civilian rule.

General Babangida, however, placed immediate priority on economic recovery.

"This emergency period will require strong belt-tightening not unlike what was experienced during the civil war," he said, alluding to the Biafra hostilities of 1967-70. Under his plan, the government

would clamp down on new borrowing and only repay foreign and domestic debts whose validity had been established.

In a move to restore Nigeria's foreign-exchange reserves, General Babangida said a plan to allow the opening of foreign-currency bank accounts within the country would be revived immediately.

The government also planned to raise funds by selling off its holdings in state-run companies and agencies.

Priority would be given to encouraging agriculture, with rice and corn imports banned as part of efforts to switch from dependence on imported food toward self-sufficiency.

West German industry, he said, is particularly interested in a accord with the United States to regulate such issues as technology sharing, patents and pricing for Pentagon contracts.

The security adviser also alluded to the petitions by American scientists opposing the U.S. research. He said the Soviet Union had been conducting research into anti-ballistic weapons systems for two decades.

"It is not known to me that in the last two decades there have been protests by scientists and engineers against this Soviet research program."

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He also said that the Soviet Union would have to be convinced to allow the opening of foreign-currency bank accounts within the country.

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Mr. Reagan said he did not regard embassies as "dumping grounds" and that he would not have offered Mrs. Heckler the post

South African Police Fight Student Protesters

The Associated Press

JOHANNESBURG — South African police fought crowds of high school students who threw rocks after a rally Tuesday, and tens of thousands of young protesters boycotted classes in Cape Town's mixed-race districts.

Battles between police and students followed a rally by 4,000 young people at the University of the Western Cape, journalists said.

Reporters at the university campus in Bellville, east of Cape Town, said police fired tear gas into university buildings and one youth was shot in the leg. Skirmishes continued into the late afternoon.

Student leaders decided at the rally to urge a return to schools on Wednesday to debate at each site whether to continue the boycott, but not to attend classes.

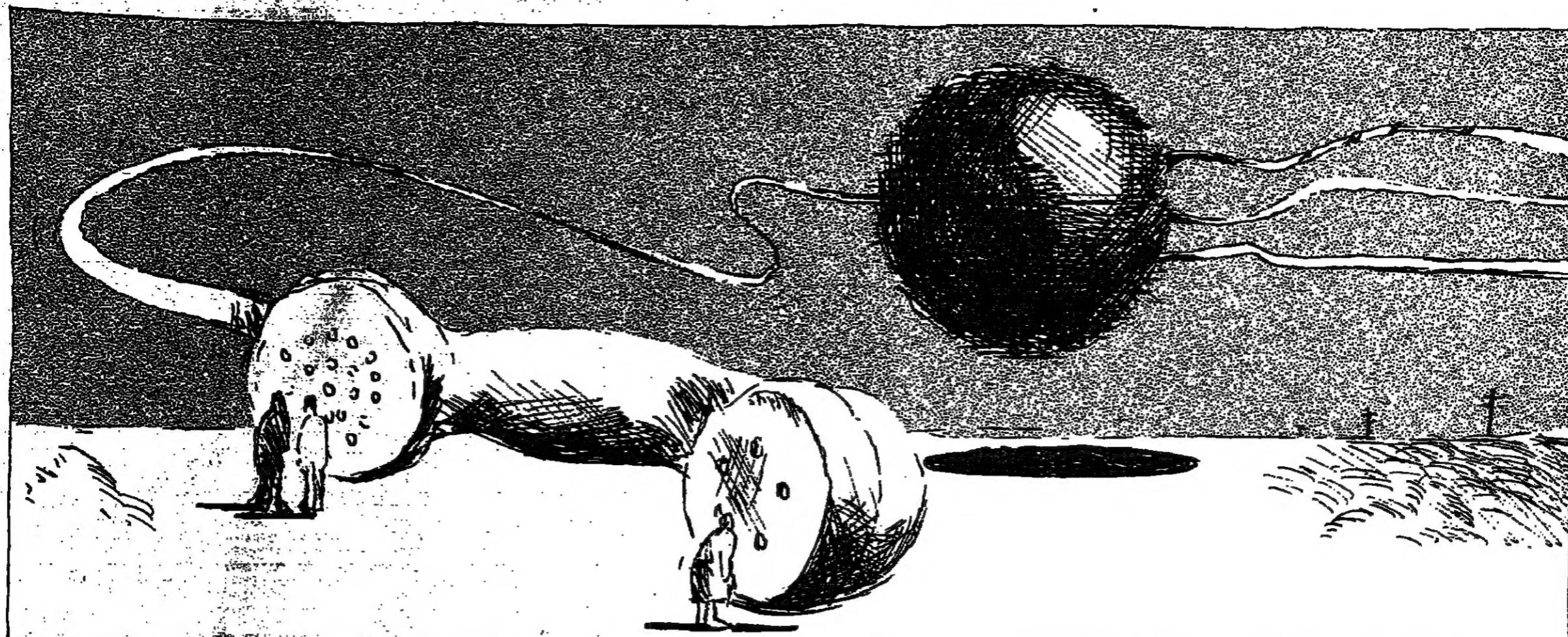
The government announced a ban on all such meetings at mixed-race schools.

Despite government pleas, students boycotted the schools when they opened Tuesday for the first day of the final term.

Authorities closed 464 schools

on Sept. 6 after two weeks of rioting that left at least three dozen people dead. The action threw more than 360,000 pupils out of classes.

Police headquarters in Pretoria reported unrest in Cape Town and seven other areas late Monday and early Tuesday. Two blacks were burned to death in mob, and police shot and killed a third man in a rock-throwing crowd, police said.



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Israeli Jets Attack PLO Installation In Tunisia

(Continued from Page 1)
"such criminal acts" increase feelings of "continued aggression and fundamentalism at a time when all peace-loving powers are exerting their best efforts to achieve a just solution to the Palestinian problem."

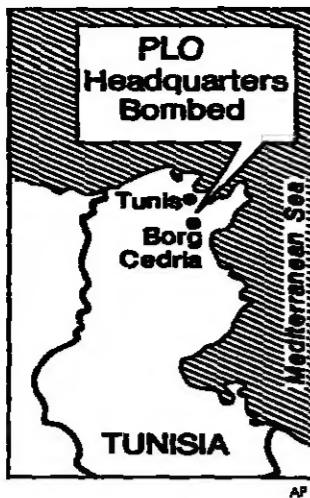
Mr. Arafat set up the offices in Tunisia after he was forced out of Beirut following the 1982 Israeli invasion of Lebanon.

The PLO office in London issued a statement saying the attack proved "Israel is not interested in peace."

"If the Israeli government is determined to have war, war it will have," the statement said.

Israel has long asserted the right to strike back outside of its territory against guerrilla bases, in defiance of claims that such raids violate international law.

Israeli planes flew 600 miles to bomb a nuclear reactor in Iraq on June 7, 1981. Israeli forces flew



Kinnock, Assailing U.K. Radicals, Says Labor Party Must Attract Middle Class

The Associated Press

BOURNEMOUTH, England — Neil Kinnock, the Labor Party leader, delivered on Tuesday his most slashing attack yet on the party's left wing, telling the radicals at Labor's annual conference that they never will regain power unless they attract Britain's middle class.

"Inimplausible promises do not win victories," Mr. Kinnock declared, amid boos and jeers, in his keynote address to about 3,000 delegates on the third day of the convention.

Eric Heffer, a member of the party's ruling executive committee, stormed off the podium as Mr. Kinnock castigated leaders of Liverpool's city council, which has laid off workers.

Liverpool began losing funds in a collision with the Conservative government of Prime Minister Margaret Thatcher when the city council refused to cut spending in line with the government's tight-money policies.

"Far-fetched resolutions are pushed into rigid dogma," said Mr. Kinnock. "You end in the grotesque chaos of a Labor council hiring taxis to scuttle round the city handing out redundancy notices to its own workers."

But Mr. Rabin said: "We still support efforts to start peace negotiations. The terrorists are the source of evil in this region."

The White House said earlier that the raid appeared from reports to be "a legitimate response" to a terrorist attack although the United States deplored the cycle of violence of which it is a part.

"We are disturbed by and deplore the cycle of violence in the Middle East of which this latest incident is a part," said the White House spokesman, Larry Speakes. "It underscores the urgent need to work for peace in the Middle East."

As a matter of U.S. policy, retaliation against terrorist attacks is a legitimate response and an expression of self-defense. From the preliminary reports available to us, this appears to be what was involved in this case.

Mr. Speakes said President Reagan has declared that "linking those who commit crime to those who are punished is essential."

"In this case, we do not yet know the full story," he said. "We will be attempting to learn the facts of the situation."

"Concerning the use of U.S. military equipment, we will have to determine what the facts are," he said.

"It is a matter of principle that it is legitimate self-defense to respond appropriately to acts of terrorism," Mr. Speakes said.

■ **Gorbachev Mission on Ties**

Earlier, Gary Lee of The Washington Post reported from Moscow:

For nearly a full minute, Mr. Kinnock was drowned out by boos from the left wing. But the leaders of Britain's giant labor unions and their supporters rose in thunderous applause for the 42-year-old Welsh minister's son.

Addressing leftists who accused him in his words, of being "obsessed with electoral politics" at the price of his radical views, Mr. Kinnock said: "From the depths of my soul, I mean it. There is no need to compromise values, to surrender our socialism."

But, he warned, "The British public wants to know that our idealism is not farce, our eagerness is not extremism."

Britain, Mr. Kinnock declared,

never will have a socialist govern-

ment again unless the Labor Party gets "the support of those who are not poor, not unemployed, not vi-

timed."

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public wants to know that our idealism is not farce, our eagerness is not extremism."



Frankfurt Protesters Smash Windows, Set Fires After Rally

The Associated Press

FRANKFURT — Thousands of demonstrators smashed windows and set fires in central Frankfurt on Tuesday evening following a rally against neo-Nazis.

Hundreds of policemen rushed to the scene and a police helicopter with a spotlight whirred overhead as the demonstrators, shouting "Fire and flames on the city," began to rampage.

After leaving the central Paulplatz in small groups, under threat of bombardment from water cannon, the demonstrators massed again. The authorities had refused their demand that they be permitted to leave the square in one group to march through central Frankfurt.

The march along the main Mainzerstrasse boulevard was headed in the direction of the spot where a leftist demonstrator was hit and killed by a police truck during street violence on Saturday night.

Disturbances broke out in more than 15 West German cities after the neo-Nazi National Democratic Party held a meeting in Frankfurt on Saturday.

Protesters, some clad in black leather and masks, smashed the windows of a bank, hurled flares and set small fires soon after the march began. The march started about an hour after the initial rally ended.

Some protesters set alight a garbage dumpster adjacent to a building housing the offices of American Express and other large companies.

The police were rushed to the march area to block off side streets and isolate the demonstrators. There were no immediate reports of clashes with the police.

A police helicopter hovered overhead and an officer inside demanded through a megaphone that the protesters disperse.



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INSIGHTS

UN's Early Days: Riveting Issues, Exhilaration and Shared Adventures

By A.M. Rosenthal

New York Times Service

NEW YORK — They were strange, those first years of the United Nations, so far back in the mid-1940s and '50s, and sometimes quite wonderful. Everybody knew that one pillar of the UN concept had collapsed before the first speech was made, the first resolution passed.

The way it was supposed to work was that the great Allies of World War II, the Big Five — the United States, the Soviet Union, China, Britain and France — were to continue great and allied forever.

They were to guide the United Nations with strength and wisdom. So unthinkable was it that they would ever be anything but strong and wise, that anything could be done against their will, that each of them was enabled with veto power in the Security Council, where resolutions were supposed to be transformed into actions.

It never worked that way. Britain and France lost their colonies to freedom movements and quickly were world powers no longer. Within a pitifully short time, the China that sat on the council and was supposed to represent a billion people represented nothing but a steamy Pacific island. And, most devastating and fatal to the UN concept, the Soviet Union and the United States became enemies instead of friends.

Politically, the United Nations was shattered into blocs. Veto replaced action, and vituperation became the language of debate. Hatred and struggle and bitterness were pumped through the loudspeakers.

And yet, despite the collapse of the political ideal, despite all the nasty words, there was zest at the United Nations, and hope in large measure — that and a great deal of fun.

That was lovely, and so was having the home phone number of Trygve Lie, the robust and fiery first secretary-general of the United Nations, and being able to call him up at all hours of the morning for comment on this or that.

"Goddamn it, is that you again?" he would say, and there would be some words in Norwegian, presumably uncomplimentary. But he always had something to say, and he never hung up or changed his number.

It was not so lovely being stopped and denounced in a corridor by Andrei Vyshinsky, who had sent platoons of Soviet citizens to their deaths during Stalin's purge trial and who had the sharpest tongue at the United Nations, no mean achievement. He was furious about an article saying he was ill and would return to

the United Nations by the Soviet Union and the United States, and transferred from open discussion at what was supposed to be the diplomatic center of the world to guarded chambers in Geneva. Bernard Baruch sat as the U.S. delegate to the UN Atomic Energy Commission in a chamber in the Bronx, New York, that had once been a college women's gymnasium.

Early one day in 1946 he read a speech that said the world faced a choice between the quick and the dead. We all nodded and truly felt that there was not much more to be said, but of course there was, four decades worth, and the choice still not made.

But the sense of exhilaration came from the freshness of it all, the sharing in an adventure that — who could say — might just possibly work out somehow, somewhat, someday. And there was a youngness about the organization that gave it zest.

In those days, pre-jet, there still was a sense of wonderment about foreign places and foreign ways and people and here was New York, the very center of the whole foreign world. You sat down in the cafeteria and next to you was a Pakistani lawyer, a Peruvian judge, a Chinese economist. You had to be an ice cube not to be excited.

It was small — just 51 countries in the beginning — and everybody knew everybody. So important it just wandered around like the rest of us. Oh, the memory of standing in the snack bar line, bumping around and seeing Eleanor Roosevelt behind you, seeing and feeling her great, wonderful smile and handing her the pat of butter she wanted, and then sitting with her at a rickety table, and talking.

That was lovely, and so was having the home phone number of Trygve Lie, the robust and fiery first secretary-general of the United Nations, and being able to call him up at all hours of the morning for comment on this or that.

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Moscow. He convinced everybody it was a dirty American lie, but he did die shortly afterward, which we all said was rather graceful.

Best of all there was a casual, make-do atmosphere surrounding the early days of the United Nations that made for a kind of camaraderie. Even Soviet and American diplomats meeting in a chamber in the Bronx, New York, that had once been a college women's gymnasium.

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The UN — everybody called it by its initials — didn't have a permanent home for years. While a site committee toured American cities,

dryer as they stood to stretch legs and minds.

And where Hunter women had once leaped nimbly over leather horses, the UN Security Council met to discuss Franco's Spain. The only protection was provided by a few relaxed U.S. Marine guards.

THE next resting place was the old Henry Hudson Hotel on West 57th Street in Manhattan. A Brazilian admiral, declaiming in a room once used for weddings and bar mitzvahs, ripped open his shirt one day to show his war wounds. Nobody knew exactly where he got them or why he showed them. But all agreed it was indeed a fine gesture.

Despite the collapse of the political ideal, despite all the nasty words, there was zest at the United Nations, and hope in large measure — that and a great deal of fun.

We used to talk about how great it would be if the Security Council had to meet out in the park under the trees.

We would daydream about taking the boys of the Security Council out in a bus to Van Cortlandt Park, picking a nice grassy spot for them, and then seeing how fierce Pakistani versus Indian or American versus Russian could sound while swatting flies and smacking ants, while Bolivia over there dozed sweetly, face to the sun.

It never quite came to that, but the United Nations did have a pretty difficult time getting a roof over its head while the search went on. For a few months it met in a couple of borrowed board rooms at Rockefeller Center, and then it settled down for a while at what was then the Bronx campus of Hunter College, women only. It is now Lehman College.

Hunter College was in the Bedford section of the North Bronx, known worldwide, according to the mothers of the area in those days, for the freshness of the air, a hundred, a thousand times better than downtown. The college women, presumably gasping for air, were moved out, but their spirit remained and gave a deliciously incongruous atmosphere to the new diplomatic center of the universe.

There was a document center in the locker room, the Balkan experts met in the French I and II rooms, the press center was a bounded swimming pool, and the office of The New York Times was a hair-drying room. There are still surviving Times reporters, a few, with vivid memories of smacking their heads against a

Then, a village near Great Neck in Nassau County, Long Island. The UN headquarters there was part of a shrinking defense plant, and everybody loved the symbolism — "war factory" turned to the uses of peace. And the name of the split-level village next door, which would become the UN's address and dateline — Lake Success. What good luck!

It was near enough to New York to draw stimulation from it and yet you had to travel, make an effort to get to it. So the United Nations was in a place of its very own, not lost in a great metropolis. There was no fancy furniture, no swank offices, and there was only the cafeteria for everybody, no special delegates' dining room. The whole place had the stanch atmosphere of U.S. Army surplus. But some of the stuffing did ooze from a sofa here and there.

Since it was mostly one level, people had to do a lot of walking, which meant they had to meet each other and talk, which was just fine. It was too small for the General Assembly sessions that all member nations attended, so they were held in a converted indoor ice rink in Queens, a dank and drafty place. Everybody was always glad to get back to the shabby warmth of Lake Success.

It was not until 1951 that the United Nations moved into glass skyscrapers on the East River, on a site made possible by the Rockefeller family.

People do not see each other much in elevators, which is a pity. Skyscrapers may make

great headquarters for some organizations, but nothing ever seems quite as appropriate for the United Nations as a one-level old factory with rundown sofas, a cafeteria line and lots of wall art.

Over the years, thousands of issues, tens of thousands of newspaper stories. Most of them ring dimly in the mind, but some of the people of those days sound clear and warm.

A Pakistani named Ahmed Bohkari, a learned, funny raider of a man talking brilliantly about Macbeth. Sir Bengal Rau of India dreaming aloud about what he loved most, and his country, filling a young reporter with desire to leave the United Nations and go live in India, experience it, taste it. Raphael Lemkin, a Polish-born international lawyer with no real official standing, always wandering about the corridors, pleading, cajoling, countering, scolding for an international convention against genocide. He lived to the see the day.

There was Trygve Lie, who loved the United Nations, too much, until he could not distinguish between it and him; and spent his last years there in hurt anger. His successor, Dag Hammarskjold, liked to call himself an unashamed intellectual, and he was both man of learning and wit — the quintessential Western diplomat.

This elegant Scandinavian was done in finally by a situation from another world, and which he never seemed totally to grasp — tribal warfare in the Congo. He died in an airplane crash over Africa on one of his many weaving Congo missions. When he had arrived at the United Nations, he had said he hoped the day would come when the people of the world saw the United Nations not as a strange painting by Picasso, but as a drawing by themselves. He did not live to see the day.

Vijaya Lakshmi Pandit of India, Nehru's sister, touching her tears with her sari when she spoke of the black man in South Africa; and a listening Pakistani delegate in the back row, clenched with anger about India's caste system. And then one day, Sir Bengal Rau and his Pakistani counterpart, Sir Mohammed Zafarullah Khan, meeting in the delegates' lounge on the day of Mahatma Gandhi's assassination, standing silent and together.

It was not very successful, the United Nations, but despite all the harshness, quite friendly. Jews and Arabs made up entire parties in New York and nobody even questioned it. Dutch diplomats and Indonesians

fighting for independence from them would talk warmly about friends in each other's countries. Politicians from nations not officially born would walk about, buttonholing, endlessly, eagerly. And at the bar, a martini would on occasion loosen a Russian or American tongue equally.

Andrei A. Gromyko made his name at the United Nations and although he was not the jolliest of men nor the warmest at times, he was always ready to chat a bit.

One morning, a reporter chasing Mr. Gromyko about during his first of many walkouts from the United Nations decided the best way to find him was the simplest. So he marched over to the Plaza Hotel, asked for the number of the Gromyko suite, took the elevator up and knocked on the door. There stood Mrs. Gromyko, in a housecoat. She seemed a bit surprised, but she invited the reporter in and poured coffee. Then the reporter and the ambassador strolled over to the Soviet Consulate together.

It's an altogether different United Nations now, which is hardly startling: most things change in 40 years. It has 159 members instead of 51. Many of the new members are large and important, old countries like Spain or newer ones like Nigeria and Indonesia. Some have populations that would hardly fill a department store on a sale day.

Real political action is almost unknown, but all over the world doctors, geologists, nurses and agronomists work in the name of the United Nations. It has become something of a headache for the United States, regularly outvoted by combinations of the Soviet and nonaligned block. Naivess of speech has been raised to stunning levels.

But it does give all kinds of countries a voice they would not have otherwise. And if their delegates' words do not ring around the world, at least they are heard in their own hometowns. Surprisingly, many people still look quite young at the United Nations. They may even find the whole thing just as exhilarating and zestful as the old-timers did.

But they do lie behind barriers of stone, and bodyguards imposed by the terror of terrorism, which is a pity.

Mrs. Gromyko's coffee was very good.

A.M. Rosenthal, now executive editor of The New York Times, reported on the United Nations for the newspaper from March 1946 to November 1954.



T. Kenneth Cribb Jr.



Patrick J. Buchanan

Many Republicans call themselves conservatives, but only some of them understand the meaning of 'movement conservatives.' The distinction is crucial.

The conservative ambition to completely control the government, making it absolutely reliable on every issue, is far from being realized.

Many appointments turned out to be failures.

James G. Watt at the Interior Department,

Amie M. Burford at the Environmental Protection Agency and Richard V. Allen in the National Security Council were short-lived phenomena, and the jobs fell from their grasp. The conservatives were frustrated when two recent nominations were rejected: that of Donald Devine in a second term at the Office of Personnel Management and of William Bradford Reynolds to be associate attorney general.

But they are even more keenly self-conscious about what sets them apart as ideological from the stodgy party regulars.

"Reagan knows that his own political success is the result of different currents of ideas that have been around for a generation, but only a generation," Mr. Cribb said. "It's unique that you have a president who's a self-conscious conservative, approving of a body of thought and seeking policy that proceeds from that."

STUGGLE for control of political appointments during the Reagan presidency reflects a conflict between the movement conservatives and traditional Republicans, epitomized by two Senate Republican leaders during that time, Howard H. Baker Jr. of Tennessee and Robert J. Dole of Kansas.

It is a conflict that dates back at least to the Barry Goldwater's 1964 presidential campaign.

Many conservative activists, including Mr. Reagan, entered national politics during that campaign. His rise, like that of Richard M. Nixon or Gerald R. Ford, was not dependent upon his standing with party regulars.

The conservative movement supports Mr. Reagan's career, just as he has sustained the movement. But he is larger than the sum of its parts. Without him, conservatism would have lacked its political focus during the wilderness years, and conservatives would never have assumed power. Mr. Reagan's indispensability has allowed him to use the movement without becoming trapped by any of its factions.

Mr. Reagan, however, has not tried to urge ideological activists to become party regulars. "We're conservatives, not party people," Mr. Cribb said.

He said the movement inhabits the party only because "most conservatives are effective through the mechanism of the Republican Party." Like Mr. Reagan.

For at least a decade conservatives have positioned themselves to work within the Republican Party and the government without becoming absorbed as regular Republicans.

Yet even after defeating the traditional Republicans at the conventions — "It's no fun anymore without Nelson Rockefeller," said a conservative who has been repeatedly overwhelmed inside the government by their rivals, who often are more skilled at policy and bureaucratic infighting.

A conservative involved in the administration's personnel decisions called them "these jerks rotting around with their Nixon and Ford credentials." When "these jerks" were appointed to virtually all the important positions, the conservative rage erupted anew.

The building of the conservative network has not been simply a process of addition. Some nonbelievers are being driven out.

Early in the administration, the presidential personnel office sought a list from the Chamber of Commerce of career federal employees who lacked belief in supply-side economics according to congressional sources. At the Environmental Protection Agency, under Mrs. Burford, a list of career and senior officials was drawn up, and in some divisions most of the career professionals were driven out.

Movement conservatives are located throughout the bureaucracy, but concentrated in pockets. Under the direction of Donald T. Regan, the White House chief of staff, and his technicians, conservatives oversaw communications (Mr. Buchanan), speech writing (Anthony D'Onofrio), public liaison (Linda Chavez) and policy development (John A. Slatin). All are influential, but none has absolute command over decisions on any issue.

The Justice Department under Mr. Meese is being transformed into a movement bastion. At the Department of Education, leadership has been removed from the hands of a stalwart Republican, Terrel H. Bell, and delivered to Mr. Bennett, a neoconservative militant who was formerly a Democrat.

Ideological coloring varies from department to department. "The State Department is the worst, the president's speech writing staff is the best," Mr. Blackwell said.

Although key movement conservatives in the early days of the Reagan administration found perches at the Defense Department, they felt themselves excluded from the State Department.

One of the first acts of Secretary of State Alexander M. Haig Jr. when Mr. Reagan took office in 1981 was the abrupt dismissal of the president's foreign policy transition team, which had been run by conservatives.

The dominant figure on the team was John Carbaugh, then a foreign policy aide to Senator Jesse Helms, Republican of North Carolina, the new right champion. Mr. Carbaugh had compiled lists of ambassadors and Foreign Service officers whom he considered unreliable, according to a former administration official who served on the transition team.

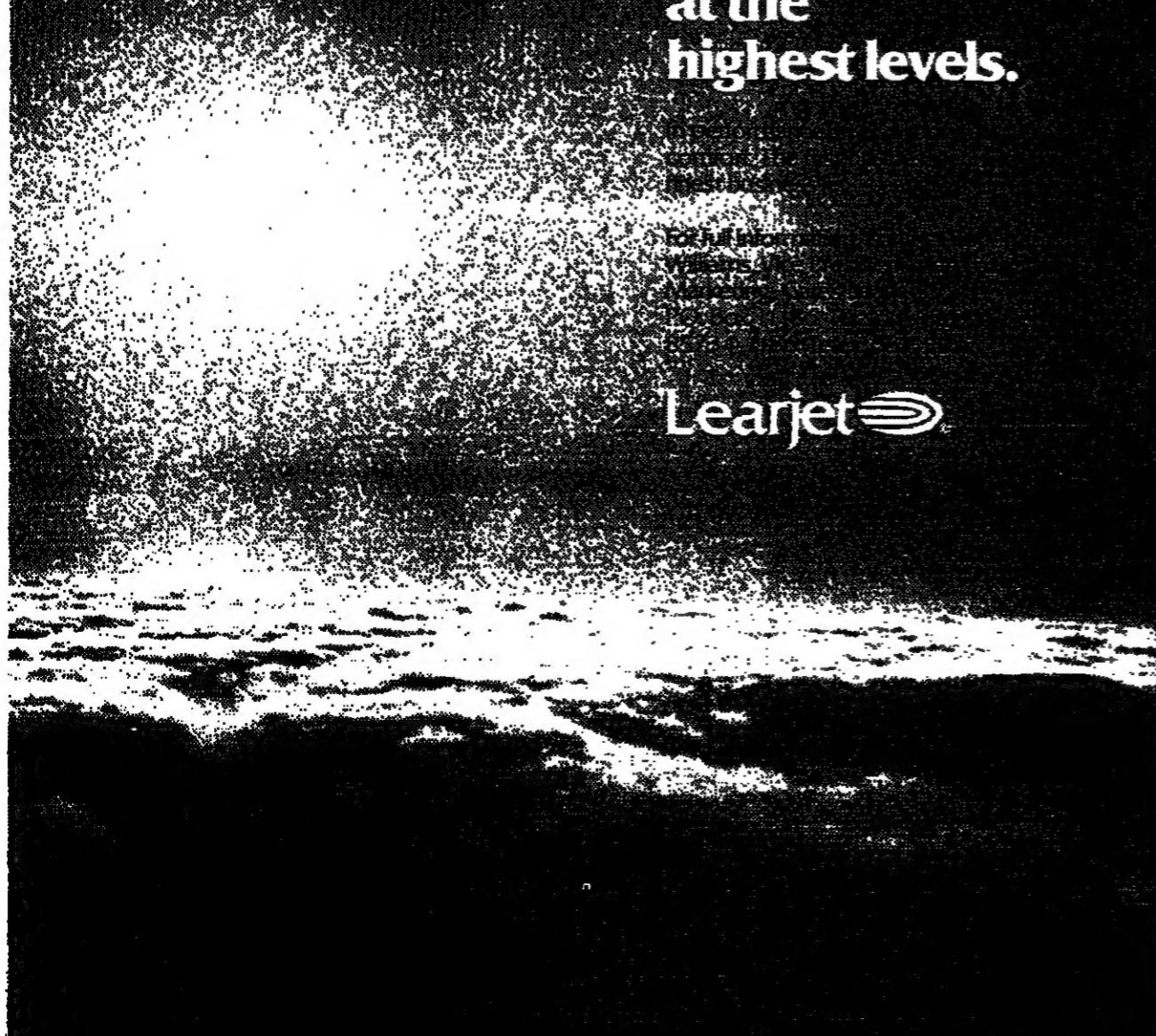
By terminating the team, Mr. Haig was sending a message to the Foreign Service Officers that they should not worry, a source said.

Mr. Helms, who was on the Foreign Relations Committee, began delaying the confirmations of those he regarded as ideologically unreliable. His aim was never mysterious: He would exchange confirmations for movement appointments.

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Murderers' Mired in Gore

By Sheridan Morley

International Herald Tribune

London — To mark the re-opening of the Cottesloe Stage of the National after a six-month financial blackout, Peter Gill is staging a season of new plays derived from the work he has been doing with young people in the National's experimental studio. The first of these, Daniel Mornin's "The Murderers," is set in east Belfast in 1972 at the time of a brief

deal further without washing the set in gore, and Morley's play seems therefore little more than a step back into butchery. Neither he nor his young cast have the experience to turn his characters into anything more than stereotypes out of a Cagney-gangster movie, though there are some blackly funny moments: one of the young Loyalist killers, having had to hand over a great deal of ill-gotten loot to his unseen bosses, notes idly that "Ulster is the only country in the world where you can do three bank jobs before you are 20 and still have to sign on for the dole."

But Morley is not yet a harbinger-of-the-border O'Casey, and his gunfire lullaby of Belfast is unredeemed by any insight beyond that of a vicious and pathetic backwater of religious torture; everyone involved deserves or at any rate needs more than that, including the National audiences.

At the Bush, Manuel Puig's "Kiss of the Spider Woman" is an immensely powerful and touching two-hander about a couple of male prisoners in an Argentine jail. One is there for some unnamed political offense, the other for accosting small boys in private; yet in a curious way, the play is about neither politics nor sex. On one level it is about the escapist power of bad old movies: Molina (wonderfully played in a sweaty, plumpish, gay bravura turn by Simon Callow) is forever relating the plot of the "The Cat People" to his non-moviegoing cellmate (Mark Rylance). On another level it is a homosexual love story, and on still a third level it's about betrayal and brutality and the breaking of minds and bodies in a police state.

Put like that, it is unlikely to sound like much of a fun evening out; yet the curious triumph of Simon Stokes' production has been to turn this very static, often sententious and sentimental dialogue

into the best double-act in town. While Rylance spends much of the evening flat on his back, bruised by jailers into a temporary submission, Callow leaps around his new friend with evident delight at having found a captive audience even in appalling and treacherous circumstances. Puig is, I think, trying to tell us that people who want to change the world, sexually and those who want to change it politically have a lot in common. He is also trying to tell us that homosexuality and heroism are not necessarily incompatible, and that there is a kind of therapy in obsessional Hollywood memories.

Rising above most of that, Callow runs in a gay storyteller of hilarious proportions: whether wishing to be Christina of Sweden in order to end up a queen, or merely wondering why, if there really is nothing better on earth than a good woman, he can't be one, this is a performance of considerable courage and camp charm. Like the Charles Langton he has long promised us a biography of Callow is splendidly unafraid of going too far onstage, and the result is an unmissable tragicomic creation.

Rylance is left to make the quiet case for restraint and butch subversion, but his too is a performance of considerable fascination, leading plausibly from irritation to love in regard to his manically gay cellmate. London is soon to get Hector Babenco's film of Puig's novel, and it is reported there may even be an operatic version by Hans Werner Henze. They will have a hard time living up to the standards set at the Bush.

Though it spectacularly fails to live up to the revised Jonathan Miller "Rigoletto," which is also back in the London Coliseum repertoire for the winter, the English National Opera's rethinking of "Orpheus in the Underworld" is worth a look if only for the definitive Gerald Scarfe exhibition that it houses by way of scenery. Scarfe's sets are a riot of gimmicky cartoons and blazing backdrops that should be shown to every other designer in town as an example of how to take over an entire production from the drawing board.

True, there was not a lot to take over: the playwright Snoo Wilson has come up with an uncharacteristically lewd new translation, while Mark Elder's orchestra manages often to make it sound as though the Bach we are hearing here is Johann Sebastian rather than Offen.

Outside of that, and some desperately unfunny mugging from the entire cast, we are left with a great Act Two finale and a tap-dancing Mercury in silver lame. That a company capable of achieving the heights of the Miller "Rigoletto" could also sink to the amateur concert-party depths of this David Pountney production is one of the enduring mysteries of the Coliseum.

Teddy Bear Auction Record

The Associated Press

London — An American collector broke the world record sale price for teddy bears Tuesday, Sotheby's said, paying £3,740 (about \$5,230) for a bear made by the German toymaker Steiff.

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**Al Di Meola and His Synclav**

By Michael Zwerin

International Herald Tribune

PARIS — The credit on the LP jacket of his album "Soaring Through a Dream," just released in Europe, reads: "Al Di Meola — Synclav guitar, Guild X-500-SB guitar, Ovation acoustic guitar." A half-page box titled "Al Di Meola's Equipment," accompanying an interview in Down Beat magazine, included something called a "Mesa Boogie amp."

Musicians have not yet taken to wearing logo-quilted jerseys like bicycle racers, though a novice concertgoer may wonder why so many keyboard players are named Rhodes, so many drummers Yamaha. Brand names displayed as part of today's technologically top-heavy pop music are often generic descriptions rather than endorsements; the digital computer-operated guitar-triggered Synclav that Di Meola plays has entirely different characteristics from a Moog, though both are synthesizers.

The Synclav can create, copy, mix, loop, and even print out sounds that have never before been heard or imagined. "You can tap a wine glass with a spoon, record it

and then make chords from the sound," Di Meola said. "The computer memorizes whatever you put into it and then plays it back in whatever form you want."

Keyboard synthesizers have been capable of such operations for a long time, but the guitar synthesizer has been in commercial use for only about three years. Along with Pat Metheny, Di Meola is one of its pioneers. "I can go out with a Sony two-track digital recorder, sample a guy hammering a hubcap, come back and feed it into the computer and make guitar music out of it. I'm able to use a whole spectrum of new sounds which have never before been available to guitar players."

Philosophically, glass-tapping hubcap-hammering music follows directly from John Cage, who has said: "I haven't yet heard sounds that I didn't enjoy, except when they became too musical." Nevertheless, old-fashioned as such attitudes may seem, some nostalgics for the days when Ben Webster sounded like Ben Webster rather than a digital sampling of Ben Webster.

"In the past," Di Meola responded, "with no nostalgia whatever, the personality of musicians was embedded in their own sound because they didn't have any other sounds at their disposal. Today new technology is making so many new sounds available to us, either you remain in the dark age or you go ahead with the times. I'm going ahead."

Now that one operator can create sounds or noises of orchestral proportion, human instrumental sections are increasingly considered obsolete. Di Meola takes what is probably a realistic, if not terribly empathetic, view of the future of those who choose not to go ahead:

Dean was born in Marion, Indiana, on Feb. 8, 1931, the only son of Winton Dean, a dental technician, and Mildred Dean. The family moved to Santa Monica in 1935. His mother died five years later. Jimmy returned to Indiana to be raised by an aunt and uncle.

He was a basketball star in high school, studied theater at the University of California at Los Angeles and went to New York in 1951, where he played in the 1952 Broadway flop, "See the Jaguar." Dean himself received good notices and was cast in "The Immoralist," in which he was spotted by Kazan.

"A lot of musicians are afraid they will be put out of work. Rightly so. These are people who take the bus from the suburbs to New York and read the financial page during an eight-bar rest. In a way they have only themselves to blame. Union scale for one musician per day in the studio is \$700. It's gotten out of hand. Their attitude is often anything but positive. And what if I don't like it once the date is over? Screwed. With a Synclav I can add, subtract and double, and have freedom to do all the crazy things I want to do without worrying about people's attitudes. But no machine will ever replace a great soloist."

Virtuous musicians will not be put out of work. Only lazy musicians."

Since he became a name with Chick Corea's Return To Forever, Di Meola has been known for speed. No guitarist could get a long time, but the guitar synthesizer has been in commercial use for only about three years. Along with Pat Metheny, Di Meola is one of its pioneers. "I can go out with a Sony two-track digital recorder,

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"That aspect of my playing brought me to prominence. When I went out on my own after leaving Chick's band I felt I had to continue in that vein because my audience expected it of me. So for years I made music focused on fast technique. Now I'm interested in originality more than quantity of sound. I no longer want to be blown away by music. It's a whole new me."

Chatsworth Estate Plans to Sell 300 Old Master Prints*Reuters*

LONDON — About 300 Old Master prints from one of England's most important art collections are to be sold Dec. 5, according to Christie's, the auction house. The prints, from the collection of the Duke of Devonshire, include works by Rembrandt and Albrecht Dürer.

The duke's residence is Chatsworth, a country house and estate in Derbyshire, central England, which is under the administration of a charitable trust.

The trustees said the sale was necessary for the upkeep of the 12,000-acre (4,850-hectare) property.

The James Dean Myth, 30 Years On

By Richard de Arley

The Associated Press

LOS ANGELES — Racing over the central California hills in the autumn twilight, the low-slung silver Porsche Spyder must have been a mere shadow of motion as it skinned the highway.

Driving the car was a 24-year-old actor named James Dean. It was Sept. 30, 1955 — the day Dean died.

His death in a car crash made the star actor on the brink of stardom into the patron saint of young American rebels. His mystique has endured.

Rock songs such as the Eagles' "James Dean," and David Essex's "Rock On" evoke his name. The movie "9-30-55" studied the reactions of contemporary fans to Dean's death. A Broadway play, "Come Back to the Five and Dime, Jimmy Dean, Jimmy Dean," took aim at his fans' hopeless nostalgia.

Warner Bros. will show new prints of "Rebel Without a Cause" and "East of Eden" to commemo-

rate the 30th anniversary of his death and has released a videotape package with all three Dean movies, including "Giant."

The James Dean Memorial Foundation plans to erect a \$200,000 statue of the actor in Hollywood Cemetery, though Dean is buried in Fairmount, Indiana.

"This idolizing — it all started after his death," said Beulah Roth, who with her late husband, the photographer Sanford Roth, befriended Dean in the last seven months of his life. Roth was following Dean in a station wagon the day he died.

Dean had been a sensation in "East of Eden," but that was the only movie released while he was alive.

"It wasn't so much his acting," said the filmmaker Elia Kazan, who cast him as Caleb Trask in "Eden." "It was his personality. He seemed very much like the character — edgy, mysterious and compulsive."

Others remember him as playful, inquisitive and sometimes rude.

He was a basketball star in high school, studied theater at the University of California at Los Angeles and went to New York in 1951, where he played in the 1952 Broadway flop, "See the Jaguar." Dean himself received good notices and was cast in "The Immoralist," in which he was spotted by Kazan.

"A lot of musicians are afraid they will be put out of work. Rightly so. These are people who take the bus from the suburbs to New York and read the financial page during an eight-bar rest. In a way they have only themselves to blame. Union scale for one musician per day in the studio is \$700. It's gotten out of hand. Their attitude is often anything but positive. And what if I don't like it once the date is over? Screwed. With a Synclav I can add, subtract and double, and have freedom to do all the crazy things I want to do without worrying about people's attitudes. But no machine will ever replace a great soloist."

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The Worldwide Welcome means you're going to get what you want.

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In the U.S., Latin America and the Pacific, it's National Car Rental. In Canada it's Tish.



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INTERNATIONAL MANAGER

Chief Executives in Europe Are Slow to Go Solo on TV

By SHERRY BUCHANAN
International Herald Tribune

PARIS — Not many European executives seem to have the size of Lee Iacocca's. Or if they do, they're being discreet about it. The U.S. chief executive of Chrysler Corp. went on television to sell his company's cars, and helped to turn the company around.

Getting on television or radio to sell your own or another's products is not yet a European executive sport. Examples of those chief executives who display their acting talents on the small screen are rare.

Ad agencies say that they worry that chief executives cannot act or that too few are recognizable to the general public at home, let alone in another European country. "In England, chief executives may be recognized in the City or by financial circles but very few by the general public," says John Boyes, accounts manager with McCann Erikson Advertising Ltd. in London, a unit of the big U.S. agency. "Some by their character could turn people off which could lead to severe embarrassment," he adds.

Ad teams would also rather push creative, expensive ads than what many ad teams view as dull shots of a chief executive doing his thing.

ON THEIR side, executives in Europe have all kinds of fears about appearing on television. The fears range from attracting the attention of terrorists to not wanting to appear like a hard sell in societies that still frown on overt profit-making.

"We have trouble sometimes recruiting executives for commercials," says Marc Gueff of Ogilvy & Mather Ltd., the British subsidiary of the U.S. advertising agency that has the American Express Co. account. American Express launched its "Do You Know Me?" campaign in Europe in 1984. "Some chief executives don't want the publicity. A lot resist it because it creates the wrong image for them. It gives the idea that you are seeking notoriety for yourself rather than for the company," Mr. Gueff said.

But a brave few have ventured into stardom.

Solo performers who sell their own products include Victor Kyam, chief executive of Remington Products Inc., the U.S. manufacturer of shavers. Although Mr. Kyam is an American, his television advertising campaign runs in 33 countries, including France, Britain and West Germany. He speaks in whatever the native tongue may be, including Japanese. "I'm a 29-second linguist," says Mr. Kyam, the sole owner of Remington Products. He bought the company in 1979 in a leveraged buyout.

Mr. Kyam's television commercial campaign started five years ago in Britain. Three years later, Remington Consumer Products Ltd., the British subsidiary of the U.S. company, ran an awareness test, asking 100 people of the street whom they could identify: Victor Kyam, Captain Mark Phillips, who is Princess Anne's husband, or Sir Freddie Laker, the cut-rate aviation entrepreneur. Fifty percent recognized Mr. Kyam, 52 percent Captain Phillips and 48 percent Sir Freddie.

Many chief executives worry about the impact that a television appearance will have on their personal life. But according to Mr. Kyam, his television appearances have had a positive impact on his personality. For instance, when he is waiting in line and somebody jumps ahead of him he no longer shouts: "Get back to the end of the line." Instead he politely approaches the person and says, "Gee there is a line here maybe you didn't notice it." He adds: "If the guy is really insistent I don't push it. I used to

(Continued on Page 19, Col. 7)

For some, the fear
of terrorists
makes a television
role impossible.



The port of Shanghai, once Asia's most important trading crossroads, and the Huangpu River

China Aims to Revive Shanghai's Importance

By Leonard Silk
New York Times Service

SHANGHAI — The horns of the ships on the Huangpu River still wake visitors in the night. Crowds still parade along the Bund, the riverfront boulevard, admiring the view. The buildings of the great banks and mercantile houses and hotels — the Hongkong & Shanghai Bank, the Bank of China, the Central Bank, the Communications Bank, the Farmers Bank, the Oriental, the Agra, the Mercantile and the huge Sassoon House — still line the quay.

But the Sassoon House is now the Peace Hotel, and the financial and mercantile palaces are all occupied by the Communist Party and government bureaucrats.

The old Shanghai — a crossroads for international commerce as Asia's premier banking and trading center and an outpost for some of the West's less savory practices — is long since dead, a victim of the Communist takeover of 1949.

Now, however, Chinese leaders, both in Shanghai and in Beijing, regard Shanghai's commercial revival, and its old vitality, as essential to China's economic development and emergence on the world stage. But they want the old days back without the vice and

corruption they associate with capitalism, and free of foreign dominance.

Capitalism's vices flowered in the old Shanghai. The city "was not only a market for the foreign powers to dump opium and other goods," the official guide of the China Travel and Tourism Agency says, "but also a base of operation to rob Chinese agricultural products and raw materials, exploit cheap labor and carry on colonial rule."

The changes wrought by the Communists since 1949 have been dramatic.

Xia Hua Yi, an editor of Liberation Daily, the organ of Shanghai's Communist Party, said: "Before liberation, Shanghai was a multifaceted city. But after liberation, the task is to assign to our city put more stress on the development of industry."

He added: "For a long time, Shanghai supported the economy of the whole country as one of its jobs. It produced one-ninth of the entire industrial output, one-sixth to one-seventh of the country's total revenues. The state asked Shanghai to contribute more money, more output and more talented people to the country."

But, in his view and that of many others, the other vital functions of Shanghai — and the city itself — were neglected.

Housing decayed and very little new construction was carried out. With the city growing from 7 million in 1949 to 12 million today, overcrowding has become intolerable. Bicycles and pedestrians choke the streets, along with a relatively moderate amount of vehicular traffic. And public facilities are hopelessly inadequate in a city where millions of families live in single rooms without toilet facilities.

Despite such problems, the talk in Shanghai is optimistic these days and there appears to be a willingness to experiment in the search for solutions.

Li Ru Xing, director of the department of finance and banking of the Shanghai Institute of Finance and Economics, feels that Shanghai needs more economic freedom from the cautious bureaucrats. He wants the city to have some "independent" banks — independent of direct state control — in order to invigorate the economy. "There was far greater vitality here before 1949," he says.

The major purpose of the "open door" policy of Deng Xiaoping, China's paramount leader, is in Mr. Li's view "to make total supply equal total demand, and end the economics of scarcity." The policy is designed to

(Continued on Page 19, Col. 2)

Richardson Accepts Procter & Gamble Bid

Compiled by Our Staff From Dispatches

NEW YORK — Procter & Gamble Co., the U.S. soap and food giant and the maker of Vick's cold remedies, Richardson-Vicks, announced Tuesday that they have agreed to merge in a transaction worth about \$1.2 billion.

The agreement for Procter & Gamble to acquire Richardson-Vicks for \$69 a share came amid intense speculation that Richardson-Vicks had found a friendly suitor to defend it from the hostile takeover attempt of the British-Dutch conglomerate, Unilever-Nutreco.

Nonetheless, the speedy announcement of a definitive merger agreement came as a surprise since several other concerns also were reportedly bidding on Richardson-Vicks. News of the agreement sent shares of Richardson-Vicks up \$2 on the New York Stock Exchange to close at \$69.50.

The agreement specifies that Procter & Gamble will initiate a cash offer as soon as possible for all remaining issued common shares of Richardson-Vicks to be followed by a cash merger at \$69 a share.

Richardson-Vicks granted Procter & Gamble an option to buy

Richardson-Vicks Business Segments
Sales by main product categories
Total 1984 sales (\$ in millions): \$1,280.5

Personal care products 47%
Health care and nutritional products 40%
Home care products, chemicals and instruments 13%

Source: Richardson-Vicks

Tuesday's agreement makes Richardson-Vicks a wholly owned subsidiary of Procter & Gamble.

The combined sales of Procter & Gamble and Richardson-Vicks in the financial year that ended June 30 would have been \$14.77 billion.

That would have been slightly less than the combined sales of another just-completed merger — between General Foods and Philip Morris — that was announced last Friday.

Humphrey Sullivan, a spokesman at Unilever's offices in New York, said his company would have no comment until after it studied the agreement between Procter & Gamble and Richardson-Vicks.

Richardson-Vicks had been to be

considering at least three friendly

takeover bids as it continued its

effort to ward off the hostile

advances of Unilever. Colgate-Palmolive Co. and Pfizer Inc. were

among the companies said to be

interested in Richardson-Vicks in addition to Procter & Gamble.

However, Procter & Gamble also

received an option that can be exer-

cised under special circumstances

— presumably if it appeared it was

short of gaining control — to buy

additional shares of Richardson-

Vicks for \$69 each.

The stock issuance was one of

several defensive measures planned

by Richardson-Vicks to thwart Unilever, which is the world's largest

producer of consumer products.

The companies said that when

the purchases and options were ex-

ercised, Procter & Gamble would

own 48.9 percent of Richardson-

Vicks — just short of a controlling

interest.

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received an option that can be exer-

cised under special circumstances

— presumably if it appeared it was

short of gaining control — to buy

additional shares of Richardson-

Vicks for \$69 each.

The judge said the preferred stock could not be issued until after a trial.

Both the management of Richi-

ardson-Vicks and members of the

Richardson family opposed Unilever's offer and they aggressively

bought back company stock.

The merger agreement with Procter & Gamble came four days after a federal judge ordered Richi-

ardson-Vicks not to issue a special

series of preferred stock that was to

carry extra voting rights.

The shares would have given five votes

to each holder of Richardson-Vicks

common shares as of Sept. 27, but would have lost the extra

votes if they were sold.

The stock issuance was one of

several defensive measures planned

by Richardson-Vicks to thwart Unilever, which is the world's largest

producer of consumer products.

In a spirit of compromise, Bra-

zil and India, the two main oppo-

nents of the inclusion of services in

a new round of trade negotia-

tions after the United States threat-

ened to walk out unless trade in

services was included.

The special session of the mem-

bers of GATT, the first in the orga-

nization's history, was called at the

insistence of the United States after

the regular consensus procedure

had failed to produce agreement on

a U.S. demand that services be in-

cluded in the new round.

The United States was backed

65-35 in its bid for the special

meeting, which began Monday.

"We have 60 days to get this

show on the road," Mr. Smith told

reporters in a reference to the regu-

lar November meeting of GATT

members, which will have to for-

mally decide on a new round next

year. "If we don't have an agree-

ment by then, we're going to

look at the whole trade situation

more closely."

Mexico Lenders Agree to Defer Debt Payment

By Alan Wheatley

NEW YORK — Mexico's bank advisory committee has agreed to postpone for six months a \$950-million principal repayment that was due Tuesday, a Citibank official said Tuesday.

William R. Rhodes, co-chairman of the 13-bank committee, said the banks agreed to defer the payments due Tuesday and Nov. 4 until "developments within the next few months clarify Mexico's overall financing requirements."

Banking sources said earlier Tuesday that the \$950 million will now count toward \$2.5 billion in new loans that Mexico is seeking to draw it through 1986.

In return for the new loans, Mexico committed itself to a new 15-month standby loan agreement with the International Monetary Fund, the sources said.

Mr. Rhodes said that the current case-by-case approach to debt repayment, in which economies are kept afloat through extraordinary loan reschedulings and extensions, "has been successful in many respects, but it has worked now for three years and we need to build upon it."

Scheduling will require unanimous approval of Mexico's banks, a process that could take months. In a bid to streamline the process, Mexico said it would like the new credit to be drawn from its 100 or so primary lenders.

Such a move would be a sharp departure from the principle of worldwide participation, which has been a cornerstone strategy for handling the debt crisis in the past three years.

According to banking sources, Mexican officials told the committee that they did not intend to renegotiate the country's \$48.7-billion multiyear rescheduling agreement.

Part One of a two-part section.

*A report from the travel
and duty-free industries to discerning travelers*

Business Voyage

*At the
Frankfurt
Inter-Continental
Lufthansa has
installed a check-in
counter.*



Flight Service Begins in the Hotel Lobby

"It's just about the easiest airport transfer in the world," smiles a very satisfied businessman, staring at his hefty suitcase, case of samples and attaché case being toed by a young bellboy. "Here at the Inter-Continental, the luggage stays with you for merely twenty steps—the distance from the cashier's cage to Lufthansa's check-in desk, which is also located here in the hotel foyer."

The Lufthansa concept of checking in airline passengers in a hotel lobby has been being tested in the Frankfurt Inter-Continental since last February. The passenger turns over his baggage to the airline, can buy and pick up his ticket, gets his boarding pass plus seat assignment and can go directly to the duty-free shops and the departure lounge upon arrival at the airport. Lufthansa takes responsibility for getting the luggage to the plane, and on to its ultimate destination.

Early in 1986, the decision will be made on expanding this Lufthansa service to its clientele, which last year totaled some 7.78 million passengers worldwide. The betting is that hotels in Frankfurt, Munich, Hamburg and Düsseldorf affiliated with Lufthansa will soon be sprouting new ticket offices in their foyers.

Germany's national carrier is obsessed

with upgrading the services it provides to passengers. Next April it has plans to replace its Economy section in European flights with an upgraded service that will match the Business Class service of most other airlines. There is talk of an increase in seat pitch to 34 inches. Claudio Lufthansa chairman Heinz Ruhnsau: "We are going to have seating comfort which will be in line with the Business Class of our competitors."

These more comfortable seats will mean fewer seats in some planes, a load-factor loss that no profitable airline takes lightly. "There are certain routes where the loss of seats can be compensated for by using larger aircraft or higher frequencies," Ruhnsau explains.

No marketing name has yet been given to the new, higher-level Lufthansa service. It is being designed after long and exhaustive researching of the needs of the frequent travelers who are the backbone of Lufthansa's global business. "We have asked our passengers what they want," explains Executive Board Member Frank Beckmann, "and they have told us they don't care who is sitting next to them as long as they are satisfied with what they get. Our share of full-fare passengers is higher than our competitors', and their needs are our priority."

Getting to and from the Frankfurt airport swiftly is always a major passenger

Duty-Free Buyers Gather in Nice

In the duty-free industry, Merry Christmas greetings sometimes seem to sound loudest in October. That's when the trade's suppliers and buyers gather for their largest annual conference of the year, putting on show the luxury items, the bangles, the gift packs that will flood into duty-free shops worldwide for Christmas and on into the selling year.

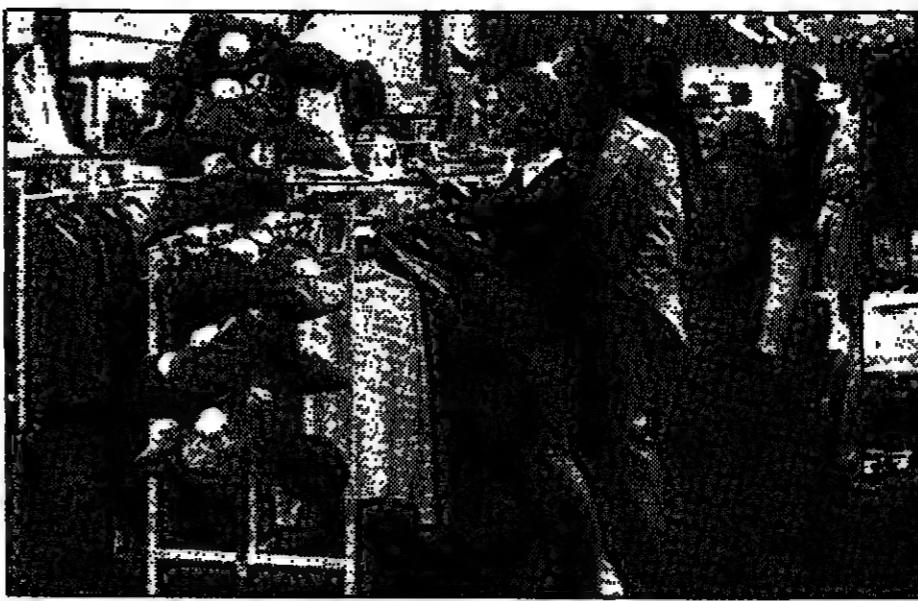
For the past dozen years, the annual autumn tax-free show has been held under the auspices of what is considered to be the bible of the business, the publication "International Tax-Free Trader," published in suburban London.

This year, however, things are different. The industry has opted to organize its own show, and the publication has decided not to contest the reorganization, throwing its support behind an exhibition that is being billed as "run by the trade for the trade." It is not for profit, and if the organizers end up with a surplus of funds, the money will be plowed into next year's show.

"Tax Free World '85" is now in full swing in Nice. More than 450 companies are manning stands in the Nice Acropolis. Leggy models are daubing perfume on more than 1,000 representatives from airports, airlines, shipping companies and railroad outlets who are prowling up and down aisles of booths trying to decide which brands to stock in the months to come. Tiny bottles of dozens of different liqueurs are being sampled. Advertising backup campaigns are being described and delivery dates discussed. Spread out over 6,000 square meters (7,200 square yards), sellers are wooing buyers on three different levels of the hall.

concern. That's why in 1982 Lufthansa introduced the Airport Express rail link, sending four trains a day between Frankfurt and Düsseldorf, with stops at Bonn and Cologne. Homeward-bound passengers can pick up their luggage at the train stations, having avoided the hassle of carrying it out of the airport and onto the train. Close to 115,000 Lufthansa passengers took the Airport Express last year. If negotiations go well with the German railways, Lufthansa may soon be able to announce an extension of the service to Stuttgart and Nuremberg.

Lufthansa continues to offer its passengers a large selection of reading matter on every flight. This comprises some 200 different newspapers and magazines in German, many titles in English and numerous publications in Japanese, Arabic and other languages. Lufthansa pays 10 million Deutsche marks a year for this reading matter, given away free to passengers. And for sipping while reading, there is an extensive selection of more than 50 different beverages. It all adds up to an annual cargo equal to that carried by a 35-plane fleet of 747 jet freighters.



The massive business of airport duty-free shops (left) started almost four decades ago with a single Irish saleswoman in Shannon (above).

Liquors are the largest category of exhibitors, taking up about 40 percent of the space, with perfumes not far behind. Gift items are featured in about 15 percent of the stands, tobaccos in about half that number.

"It's not just on the exhibition-hall floor that business gets done," says one longtime veteran of the duty-free wars. "These executives are all frequent travelers, so they're seldom all under one roof at one time. If you have something to sell, this exhibition offers a golden opportunity to make an impression on a large number of them without chasing all around the world to do it."

Entertainment is lavish and designed to impress. At previous duty-free trade shows, exhibitors have chartered yachts to moor close to the exhibition hall for on-board entertaining. Vintage railway cars from the Orient Express have been rolled into town especially for a firm to use as an entertainment venue. The Camel Club, sponsored by the cigarette firm, is a late-night rendezvous where many of the delegates wind up after the exhibition's official schedule of events has drawn to a close.

When the delegates aren't trading with one another on the exhibition-hall floor, they may be playing golf in the show's

official tournament, picking up prizes at its annual awards ceremony, attending dozens of official and unofficial cocktail parties and participating in an afternoon-long duty-free conference with speakers from British Airports, the O'Hare International duty-free shops and British Caledonian, among others, covering the major issues that confront the duty-free trade today.

It's a big show about a big and growing business. When the exhausted delegates break after their week in Nice, tottering home with suitcases full of product samples, they'll have fixed in their minds what will be offered in duty-free shops this coming Christmas and on into 1986.

Canadian Club. Lighter than Scotch, smoother than Bourbon.

The smooth and distinctive taste of Canadian Club is appreciated all over the world. Enjoy Canadian Club, neat, on the rocks or mixed to your taste.

Canadian Club. Since 1858.



On the MOVE

For those who have a tough time remembering which airlines are offering which bonus miles for staying in which hotel or dealing with which car rental company, help is now at hand. The Frequent Business Travelers Club has summarized a good many of the complex airline plans in a slender, pocket-sized, 36-page booklet: "Frequent Flyer Bonus Programs." For your free copy, send your business card to: Frequent Business Travelers Club, 8-10 Duddell Street, G.P.O. Box 5114, Hong Kong, Tel. (852) 5-216 111; Telex 6568 FBTC HK.



Just four days ago, Paris's long-awaited Picasso Museum opened its doors. It's a treasure house of 229 of the master's paintings, 137 of his sculptures, 34 paper collages, 85 ceramic pieces and over 3,000 of the prints he created from 1881 until his death in 1973. In addition to his own works is a display of his personal collection: works by Cézanne, Degas, Matisse, Rousseau, Derain and Balthus, plus some primitive art. The museum is located in the Hotel Sale, 5, rue de Thorigny, in Paris's historic Marais district.

Bangkok's Dusit Thani skyscraper hotel is intent on keeping its business-traveler clientele plugged in. It's the first Thai hotel, indeed one of the first in Asia, to offer guests the use, in their rooms, of Apple II or IBM microcomputers, complete with software. Previously the hotel pioneered in offering guests access to the latest-model facsimile transceiver, which can send copies of documents, engineering drawings and other renderings anywhere in the world instantaneously. For information on the electronic office tools available at the Dusit Thani, telephone Bangkok 233-1133.

"Mit einem neuen Superlativ wartet Canon jetzt auf: Der größte Hersteller von Spiegelreflexkameras präsentiert die Canon MC, apostrophiert als 'kleinste Autofokus Kamera der Welt'."

'Color Foto' in Germany wrote this about the latest compact to come out of Canon.



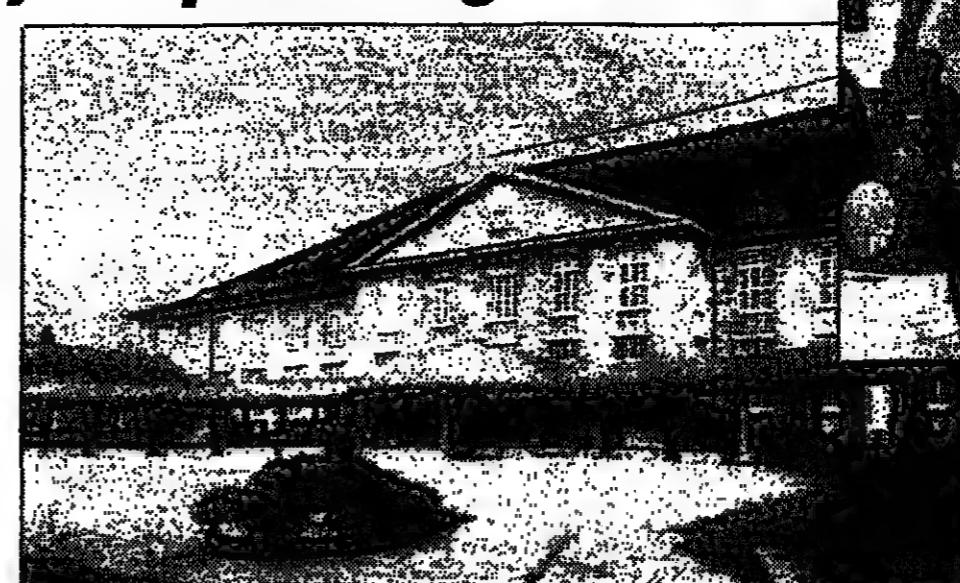
Canon MC

Another Successful Year for Germany's Sparkling Wines

The roly-poly god Bacchus sits astride a barrel here in the vaulted cellars of Henkell & Co., makers of the most famous sparkling white wine in the world. A goblet is clutched firmly in the tipsy god's right hand. And these days, it's overflowing with good news for Henkell, which now has established a firm marketing foothold for itself in more than 90 countries.

"After champagne," says Dieter Ballo, Henkell's export manager, "German sparkling whites lead the way in consumer preference. We've carved out this market by working long and hard on duty-free sales in particular. Henkell Trocken, our brand leader, now outsells all other sparkling white wines in the world in duty-free stores."

The term champagne is protected by law in most countries (the United States is a glaring exception). It can only be used to denote French wines bottled in a specific area some 90 miles northeast of Paris around the village of Epernay. So German sparkling whites, bottled just a few hundred miles away and using many of the same techniques, can't legally be termed champagne. They're called *säde* instead, and Henkell is the un-



Henkell's palace-like Wiesbaden HQ (left) is a home for Bacchus and his casks of wine (above).

challenged brand leader in the global *säde* market.

Can a drinker tell the difference between a good champagne and a good *säde* in a blind tasting? "We think our product is every bit as good if not better than champagne," says Ballo. "But you have to hand it to those French wine-marketers. They've somehow convinced much of the world that their champagne is in a class all by itself."

Not that Henkell and the other German makers of *säde*

spend much time worrying about the French market share. They're too busy turning German grapes into quality bubbly to concern themselves about the competition.

Good wine is usually the product of a strong sense of tradition, and there is plenty of that in the magnificent house of Henkell. The face of Adam Henkell, who led the house through its earliest years until he died in 1866, stares out from a portrait, the huge white cravat of the era making him look

almost like a priest of the vine. Rudolf Henkell, next in line, is pictured in his late-19th-century beard. The company then passed into the hands of Karl and Stefan and finally today's very active Otto Henkell, aged 62.

The firm's headquarters is best described as a palace. A vine-trimmed walkway leads visitors into the central hall, a massive two-story room lit by a crystal chandelier. Twin staircases carpeted in blue sweep up to a marble balcony, rimmed by a massive wine cask. There the visitors meet up with Bacchus astride his barrel. And they, like him, happily hoist a glass.

For details on taking a tour of Henkell, telephone Wiesbaden, West Germany: (061) 21-63-33-50.

recitals and plays in this gold-trimmed hall, always to full houses. Naturally, each performance also involves the delight of sampling some of Henkell's products as well.

Wine tastings are encouraged by Henkell, and groups of visitors are regularly shown through the building, learning how Henkell has perfected its 153 years' experience in making fine sparkling white wine. Each tour inevitably ends with a tasting in the huge vaulted cellar of the house, with its massive wine casks. There the visitors meet up with Bacchus astride his barrel. And they, like him, happily hoist a glass.

One can imagine Handel or Beethoven playing for a royal court in this room, and indeed Henkell regularly stages something similar. Each year it presents a prestigious series of concerts, ensemble performances.

Whisky Firm's Contest Prompts 12,000 Entries

"The envelope, please."

That's what Canadian Club will be saying at a London press conference at the end of this month, when it announces the British winners in its unique Uncommon Challenge contest.

"The winners won't get lavish prize money nor expensive trophies," admits Cary Carmell, a spokesman for the firm. "What we'll give them instead is full backing to live out their wildest dreams."

And what dreams! Earlier this year, Canadian Club circulated bar coasters, posters, literature and entry forms to clubs all over Great Britain and Ireland. Humorously, encasing the brochure spelled out the contest: You tell us what fantastic challenge you'd like to tackle. We'll select the most exciting and fund your effort.

"We were deluged with responses," Carmell reports. "More than 12,000 to date. And this is just from Britain and Ireland, two small countries here in northwestern Europe. When Canadian Club takes the challenge globally next year, the number of entrants worldwide could be really staggering."

The entrants entertain wild dreams. John Taylor, a British architect, wants to live the P.G. Wodehouse story "The Long, Long Hole" by driving a golf ball the

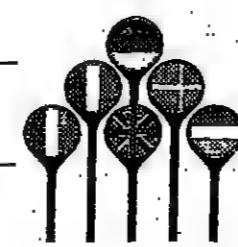
length of the British Isles. He estimates 12,000 strokes should be par, give or take a few.

Jim Gavin of West Sussex has founded the Lawn Mower Racing Association, and his speed-mad team hope to stage a grassy grand prix against American mower men in the United States.

Well-known sporting names have entered, as well as men-in-the-street. Britain's prestigious Leander Boat Club, headquartered at Henley, has asked to send one of its crews rowing across the Hellespont in Turkey, planning not to drown as did the mythical Greek hero who gave the club its name.

Hiram Walker will be investing almost \$200,000 to help its winners live out their fantasies. Dreams don't come cheap. But it will be money well spent for Canadian Club if it builds brand recognition at club and pub. And for the contest winners, it means the adventure of a lifetime.

The British contest is now closed, and entries are being studied. For information on when Canadian Club's Uncommon Challenge Competition may be opening up elsewhere in the world, write Canadian Club Uncommon Challenge, P.O. Box 41, Blackpool, Lancashire FY1 3LD, England.



CAR OF THE YEAR '85

Winners take all.

U.K., Gold Medal, Birmingham, Motor Show, October 1984

France, Prix de la Sécurité, March 1985

Germany, Golden Steering Wheel, November 1984

Ireland, Irish Car of the Year 1984, December 1984

Denmark, Danish Car of the Year 1985, December 1984

Norway, Norwegian Car of the Year 1985, December 1984

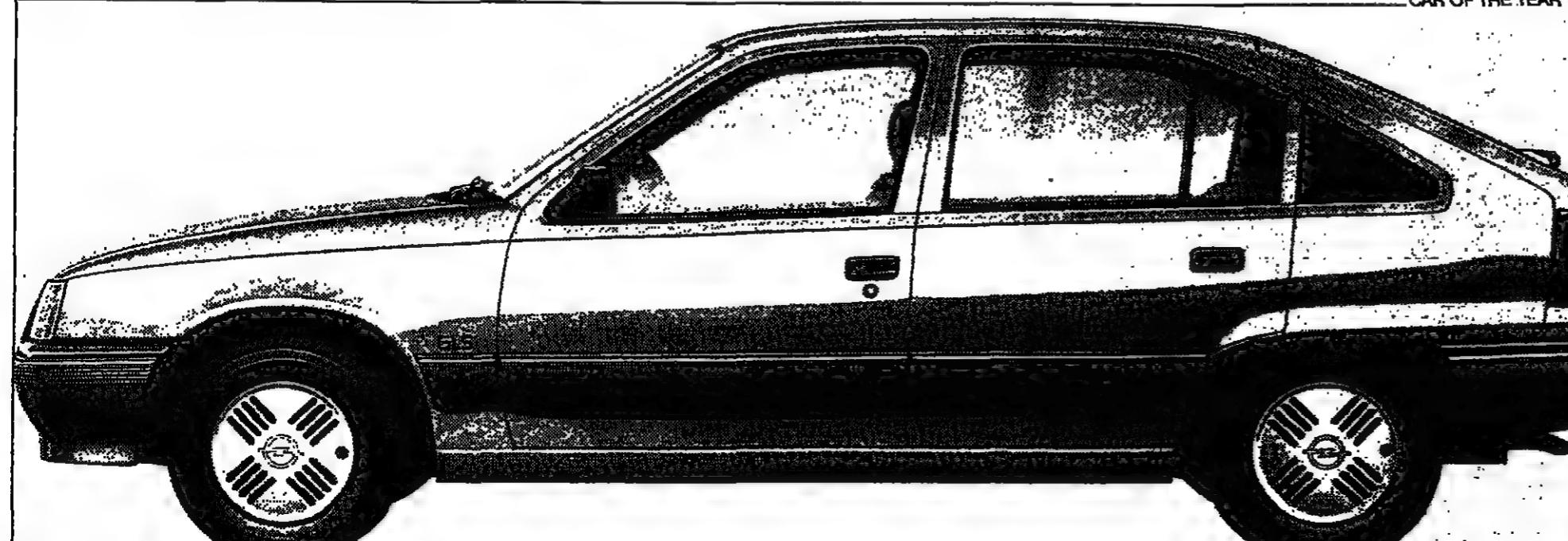
Spain, Import Car of the Year, January, 1985

Spain, Ladies Car of the Year, January, 1985

Belgium, Golden Claxon, January 1985

Italy, La sportiva dell'anno, January 1985

Europe, Car of the Year 1985, November 1984



We were pleased when we won the European "Car of the Year" award for 1985 with our brand new Opel Kadett and Vauxhall Astra models. And we were delighted when we picked up almost all the other major automobile awards this year. Delighted — but not surprised. Because our General Motors Passenger Cars' European market performance this year has demonstrated that Europe's car buyers have been voting for us with their cheque books. In the first half of 1985, General Motors sold more Kadetts and Astras than ever before; in fact, overall, we delivered 30% more cars than the previous year. Opel is the leading make in 5 European markets and a growing number 2 in four more. In the U.K., the Vauxhall marketing thrust continues with another record breaking market achievement. In fact, the GMPCE brands sell better in more markets than any of our competitors. To understand why, call in at any of the 6500 GM dealers in Europe.

OPEL  **VAUXHALL**
General Motors Passenger Cars in Europe

Deinhard

FINE WINES SINCE 1794



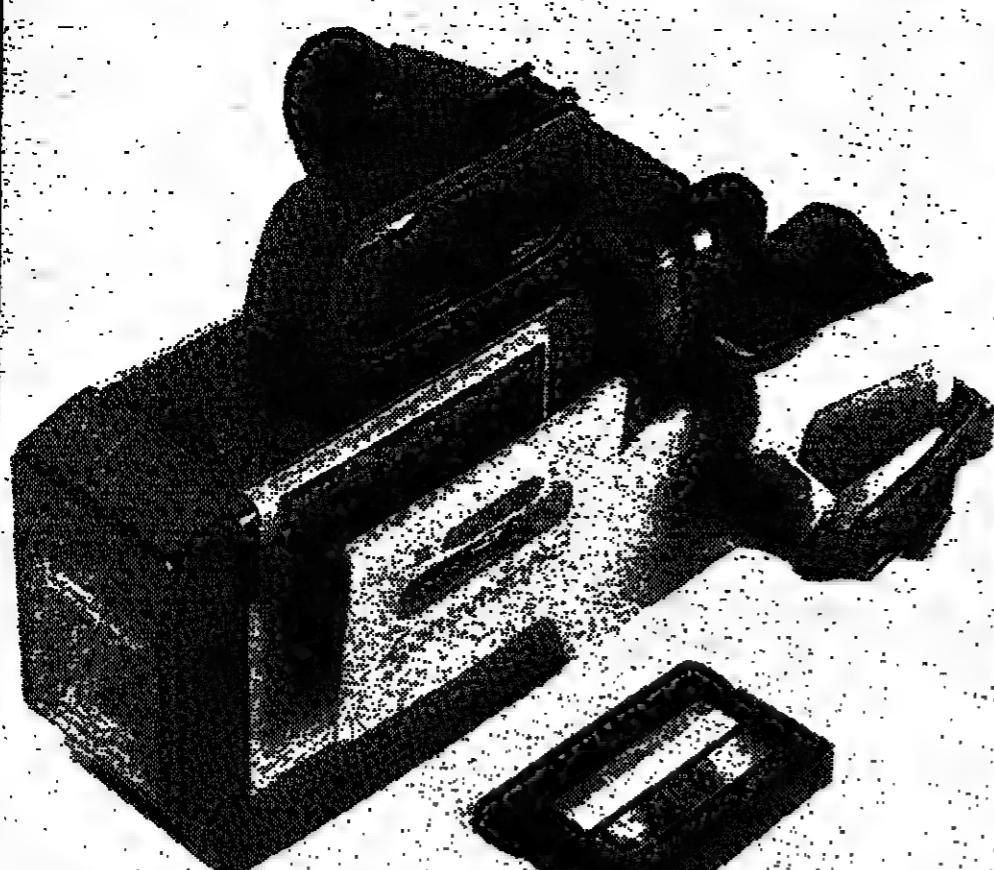
Deinhard & Co.
5400 Koblenz, Deinhardplatz 3, Germany

OTI 11/11/85

Just in 15s

ADVERTISING SECTION

ADVERTISING SECTION



The Ultimate Home Moviemaker

It weighs approximately two kilos (five pounds), runs on everything from a car battery to the household main, focuses automatically and threatens to turn an entire generation of business executives into do-it-yourself Hitchcocks and Fellinis.

The just-introduced Canon V-M-E1 — trade-named the Canovision 8 — is everyone's hand-held videocamera, a device that uses a computer to analyze lighting and select lens openings and an infrared beam to determine focus. All the holder has to do is load, aim and shoot, with the result: brilliantly clear, well-focused color video.

Every executive on the road has had the experience of hearing a testimonial from a satisfied customer that he wished he could record on tape for marketing re-use. Or has seen a hutch in the manufacturing process which, if it could have been

recorded on tape for replay, would have been easy to solve. Or has seen customer reaction at the point of sale which, if captured on tape, could become the lead-in to a valuable sales training film. Now, capturing each of these moments on color tape is possible, thanks to Canon's easy-to-carry video camera. It may become as much a part of an executive's travel gear as a well-battered attaché case.

This remarkable new all-in-one device is, in essence, both a zoom-lens television camera and a VCR. The new 8mm cassette it takes is hardly bigger than the one used in a car stereo, yet for up to 180 minutes it records in unmatched clarity of color. An array of buttons on the side of the camera permits an instant review of the last five seconds of each shot, and whole segments can be rewound and viewed instantly through the camera's viewfinder. No need to send film to a lab for processing.

Your local photography shop should have the Canovision 8 in stock before Christmas. No need to send film to a lab for processing.

Air and Sea Passengers Making German Chateau Wines Duty-Free Favorites



"If you want to meet the man who launched all this," says Carl Tintelnot, export marketing manager for Deinhard & Co., producer of some of Germany's finest wines, "you'll have to go to Nuremberg. He was a 17th-century wine merchant named Hanns-Christof Deinhard, and you'll find his portrait, wineglass clutched to his bosom, in a museum there."

"His descendant, Johann Friedrich Deinhard, came here to Koblenz to start a wine business in 1794, and even though he was only 22, he succeeded. Deinhard has been in wine ever since."

Sure enough, the bearded, velvet-robed Hanns-Christof does peer out at the world from a wall in Nuremberg. The company that carries his name has levered itself up into the top rungs of international wine-making over the past 191 years. The firm is still family-owned and still ages much of its wine in vats three stories below the simple green-and-white offices facing a town square quite logically called Deinhardplatz after Koblenz's most widely distributed product.

"Size is not important to us," Tintelnot explains. "We're not the biggest wine producers in Germany. But we've become

famous for the *château* quality of our fine wines, which match the French in every respect. We own some of the finest vineyards in Germany, which help to ensure great vintages each year. More important, we've been exporting fine wines longer than most other German firms. In 1835, our firm sent its first rep to England, and he came back with £500 in orders, an unprecedented sale. Now we're selling to more than 80 countries, and year by year our export totals grow as the world sharpens its appreciation for fine wines."

The world's airlines are in-

"There's another important global trend which has benefited German wines," Tintelnot continues. "The consumer increasingly wants a wine that is light and low in alcoholic content — the perfect description of a good German wine."

Deinhard has explored the cruise-line market with considerable success, and more than a few ocean liners cast off these days with their liquor lockers crammed with cases of Deinhard Green Label, Moselle, Bereich Bernkastel, Liebfraumilch and Riesling Kabinett. "We're also very interested in the U.S. military market and run a constant series of promotions in the GI stores — tastings, shelf-talkers, neck tags around the bottles — to explain German wines to these customers and indicate what foods each wine most enhances. The same with

the diplomatic corps in Germany. Word-of-mouth in the business is still unbeatable advertising."

For those interested in learning more about the lively lore of German wines, a visit to Deinhard's homey head office in the center of Koblenz is highly advised. Johann Friedrich's original wine cellars have been immaculately maintained, and there one can see not only the more ancient methods of processing the grape, but also some of the modern techniques that have permitted Deinhard to steadily increase its annual wine storage and aging capacity to its present 25 million liters (6.5 million gallons).

Visits to Deinhard's cellars and archives are encouraged for details on opening hours, telephone Koblenz (0261) 1040.

ALL'S WELL THAT BEGINS WELL

The excellence of Beefeater Gin springs initially from the water.

In fact from the Burrough family's own artesian well, a mere mile or so away from the Houses of Parliament.

It is the singular quality of this water that is so important to the distillation of really fine London Dry Gin.

And a vital ingredient in the original recipe passed down by James Burrough in 1820.

Upon which, you could say, Beefeater's success has been... well-founded.

James Burrough 1820



THE GIN OF ENGLAND

HENKELI TROCKEN



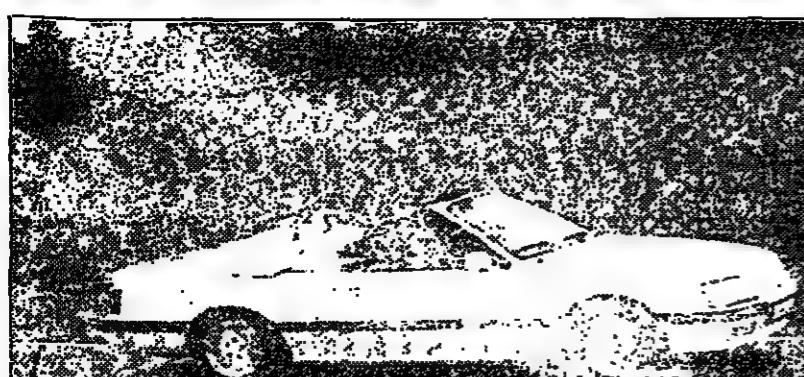
LUXURY YOU SHOULD AFFORD.

Vodka Sibirskaia — a fine, mild and vodka. Made of top-quality grain, aged in oak barrels. Repeatedly filtered. Crystal clear and soft. Among the generous Russian vodkas it is the most generous one: Sibirskaia. The vodka for connoisseurs. Try it — there's no better vodka taste and

PODOLSK FROM RUSSIA IS GENUINE RUSSIAN VODKA.

PLODINEX





The sporty Opel Monza (left) and sleek Senator (below) are highly ranked by tax-free car buyers.



Cars for Decision Makers

When the frequent airplane traveler gets his or her feet on the ground, these feet are soon headed for another form of modern transportation — the automobile. Reflecting the frequent traveler's lifestyle, that is more likely "a high-priced vehicle at the luxury level, with power status and prestige."

That description comes from John G. Bagshaw, executive director for European car sales and board member of Adam Opel AG, General Motors German-based subsidiary. Bagshaw is describing the Senator and Monza, Opel's top-of-the-line models, which in Britain are sold by Vauxhall.

The Senator was introduced in the late 1970s as Opel's flagship in the upper price and performance class, with the Monza as its sports-car version. Although Opel is primarily a volume car maker, the company has traditionally included luxury cars in its range.

Currently, the Senator is available with 2.2-, 2.5- and 3-liter gasoline and 2.5-liter TD diesel engines. They are all available with 5-speed manual transmission or Opel 4-speed automatic. The 2.2-liter version also comes with a 4-speed manual transmission. The 3-liter model is capable of speeds up to 215 kilometers (135 miles) per hour.

Opel describes the Senator and the Monza as cars that "combine dynamic driving pleasure with reasonable costs of operation and a high level of safety and comfort. Reserved elegance distinguishes their appearance."

The luxury vehicle counts for only 7 percent of all car sales in the industry," Bagshaw said in his office at Opel headquarters in Rüsselsheim, West Germany. "Opel is really a mass-market vehicle, so luxury cars tend to be a fringe for us."

"It is the car purchased by opinion leaders, by the young and upcoming, and they influence the purchases of company fleets. Many British firms provide key employees with a company car and other perks, because they are more desirable



John Bagshaw heads Opel in Rüsselsheim.

experience with a Senator or a Monza, they will buy Opels for their company or as a second car for themselves. There will be a flow-on effect."

Being able to influence fleet car sales is especially important in Britain, where 7 percent of all new-car sales are for company fleets. Many British firms provide key employees with a company car and other perks, because they are more desirable

than highly taxable cash salary increases.

"Most employers allow a certain product choice within price classes," Bagshaw notes. "So the trick is to get an appropriate product in these price classes. There is a pecking order, just like the English class system."

He adds: "You must treat the eligible employees like retail customers. They are not interested in discounts or low-cost financing, although your starting offer must be attractive."

The eligible employees get their firm's list, which shows them what they are entitled to. But they also are exposed to advertising, like every other car buyer. "As the time draws close to when they may order their next fleet car, they start to read the auto advertising," he says.

But neither the company's fleet list nor auto advertising

may address what Bagshaw calls the "wish list."

While he headed car sales at Vauxhall before being transferred to Germany in 1983, Bagshaw launched market research on what the eligible employees really want. It turned out that traveling salesmen and others who did a lot of driving on business had specific desires. Here are some of them: a heated rear window (because an iced-up rear window delays them in the morning and fouls up their schedule); passenger seat door mirror as an added safety factor for highway driving (and they do a lot of highway driving); a cassette player (so they don't have to fiddle around with the radio dial each time they drive out of a station's broadcasting range).

Influences toward the purchase of a car come from many sources. Recently, the Australian-born sales director heard them from the back seat of his Senator. His 9-year-old daughter did not like his plans to switch to a Monza. "She told me that she gets a better back-seat view from the Senator," he says. "Since German law requires her to sit in the back seat, she protested about any change."

When all these individual "wish lists" are multiplied by 16 countries, marketing takes on a kaleidoscopic effect. "The whole mix is a constantly moving target," he observes. "Customers' attitudes and expectations change."

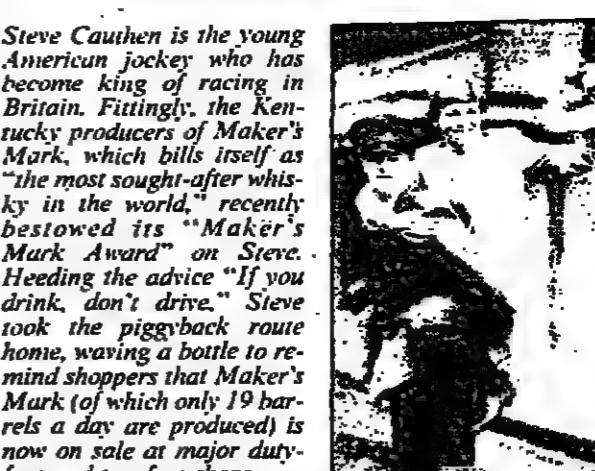
Pinpointing the needs and fantasies of market segments is called niche marketing. "Niche marketing started with the whole trim-level thing," Bagshaw says, referring to extras such as special upholstery or door coverings. He points out that the bottom-of-the-line Corsa (Nova in Britain), a compact made in Spain, "can be up-marketed" in its trim level to the medium-price level of the Kadett (Astra in Britain), which is next up the line in the model range.

When the Monza GSE was introduced, its higher trim level was one of the main differences from other Monza versions. The GSE's trims include a leather steering wheel, board computer and Recaro seats in front. The GSE also has modified suspension for improved steering and road-holding ability and an additional rear spoiler for better aerodynamics.

The new Opel Kadett, introduced last autumn, was named Car of the Year 1985 by a jury of 51 auto journalists from 16 European countries. In the first half of this year, total sales for the new model, including its sister model, the Vauxhall Astra, improved by about 25 percent to take almost 13 percent of the European lower mid-size class. The largest market for the Kadett is Germany, where in the first half of this year the car held almost 23 percent of the market for its class. In the Netherlands, where Opel has been the leading make for 16 consecutive years, Kadett sales rose by more than 75 percent in the same period. In France, it was 83 percent.

in the SHOPS

News from the Duty-Free Trade



Look out, Schiphol, Kastrup is taking aim at you. Casting envious eyes at the huge duty-free turnover in Schiphol airport's shops, Kastrup, the Copenhagen airport, is embarked on a \$8.6 million expansion program to double the size of the transit-hall shopping center, and increasing the variety of merchandise. A consortium of the Scandinavian Airlines System, the Danish domestic airline, and a number of shop owners is financing the scheme, dubbed Gateway Europe. The consortium has slashed certain duty-free prices to undercut the competition: scotch reduced from \$18 to \$12, vodka from \$7 to \$4 and perfume from \$54 to \$22.



The Parker Pen Co. has been selling a quality line of writing instruments in duty-free shops and overseas markets longer than most of its competitors. Along the way the firm has amassed considerable expertise in doing business abroad, which it has condensed into a useful report, "The Tower of Business Babel." The study analyzes the use (and misuse) of American English in international trade, warning against slang ("down the tubes"), sports jargon ("ballpark figures"), baby talk ("have to go to the little boys' room"), long-winded sentences and too-

swift speech when dealing with various nationalities. Copies are available at \$5 from: Public Relations Department, The Parker Pen Co., P.O. Box 1616, Janesville, WI 53547, U.S.A. Tel: (608) 755-7000.

Bon Voyage is compiled by Arturo Gonzales, Director of Communications, International Herald Tribune. The second part of this section appears in tomorrow's paper.

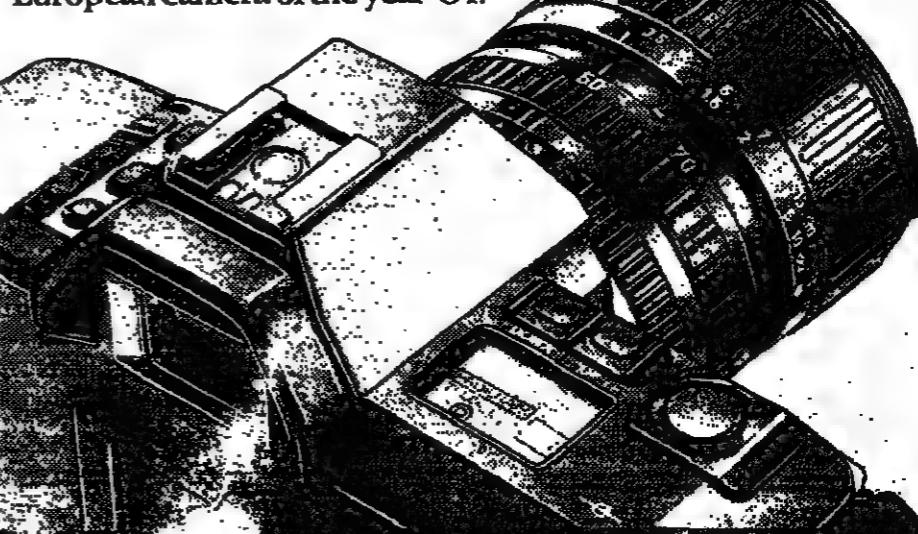
Bon VOYAGE

"...ein Spitzengerät besonderer Art, das alle Wünsche erfüllt, die man heute an eine Kamera stellen könnte..."

Germany's Foto-Magazin' leaves us with nothing else to say.



Canon *70*
European camera of the year '84.



Lufthansa

joyico 150

Full EMS Role by U.K. Called Distant

By Bob Hagerty
International Herald Tribune

London — Economists at leading stockbrokers here generally do not expect Britain to become a full member of the European Monetary System soon, though some say chances are growing that the country will do so eventually.

Speculation of an imminent move has been building for months. Last Friday, it became so intense that the British pound plunged on the foreign exchange market, as dealers reasoned that British entry into the exchange-rate mechanism would require a big devaluation against the Deutsche mark.

"I think the markets are whipping themselves up into a fever," said Keith Skeoch, chief economist at James Capel & Co.

The EMS, put into effect six and a half years ago, is designed to allay such fevers by limiting the fluctuations of eight European currencies against one another. Full members are obliged to intervene in the foreign-exchange market or adjust interest rates to keep their currencies within certain bounds, adjusted periodically.

Technically, Britain is a member of the EMS, but the country does not participate in the exchange-rate mechanism at the heart of the system.

In what has become a liturgical response, spokesmen for the British Treasury say that the country will join the mechanism "when the time is right" and that the matter is "continually under review."

In Frankfurt, a spokesman for the Bundesbank said Tuesday that there are no discussions on British entry at present but that the West German central bank has repeatedly called for such a move.

Among reasons that the time is not right, many economists say, is the threat of a new drop in oil prices. Because Britain is a major oil exporter, the pound often swings violently when the oil market is unsettled. Such a swing would add volatility to the EMS and might force Britain into an embarrassing devaluation against other EMS currencies.

"It's very unlikely that the U.K. government would be stupid enough to join when the oil price might be about to break," said

Timothy Condon, chief economist at L. Messel & Co.

In addition, economists say the pound is "overvalued" against the mark; even though the British currency has fallen to about 3.5433 DM from a high of 4.07 in July.

Roger Bootle, chief economist at Capel-Carey Myers, said a rate of 3.50 to 3.60 probably would be low enough to make British goods competitive on the continent. But Brian Brown of Phillips & Drew argued that current EMS members would resist such a low rate.

In any case, Mr. Brown said, it is not clear that Britain should code sovereignty over its monetary policy. Prime Minister Margaret Thatcher seems sympathetic to this argument. Last February, she said that joining the mechanism "would inhibit some of our present freedom of action."

Full members could, for instance, take away the option of stimulating the economy through deep cuts in interest rates should high unemployment become an greater political problem.

(Warren Geller in Frankfurt contributed to this article.)

Nonetheless, many industrialists favor the EMS on the ground that it would mean less exchange-rate uncertainty for exporters, and observers say the Treasury seems to be growing more sympathetic to the potential benefits.

For one thing, some economists say, full membership might allow Britain more freedom to reduce interest rates without raising fears that the pound would be allowed to drop indefinitely.

They also argue that a clear target range for the pound would provide the financial markets with a way of gauging whether British monetary policy is tight enough to prevent a resurgence of inflation. Now that analysis have lost faith in the main money-supply measure as a reliable guide, the Treasury "desperately needs some sort of anchor" for its policy, said Mr. Bootle, who expects Britain to become a full member of the EMS at some stage, possibly as early as next spring.

(Warren Geller in Frankfurt contributed to this article.)

U.S. Securities Underwriters Do Well, Europeans Less So

By James Sterngold
New York Times Service

NEW YORK — While the stock and bond markets struggled for much of the third quarter, which ended Monday, business was strong for securities underwriters in the United States. In Europe, however, the market was soft.

The upward trend in offerings of common stock continued. After a modest \$4.3 billion worth was issued in the first quarter, the second-quarter total was \$6.8 billion and the amount rose to \$7 billion last quarter, according to figures released Monday by Securities Data Co.

The third-quarter total included the huge \$750-million equity offering of Rockefeller Center Properties in September.

There was also a good supply of debt securities, with \$27.2 billion issued, according to Securities Data. This was down slightly from the \$27.5 billion in the second quarter.

But Securities Data reported a decline in the volume of securities offered in the Euromarket in London. Euromarket offerings fell to \$35.3 billion, from \$39.4 billion in the second quarter.

The giant of the U.S. market, Salomon Brothers Inc., remained in leading place in the third quarter, underwriting \$8.7 billion of securities, giving it about 23 percent of the total market, according to Securities Data.

In the Euromarket, the Swiss-American venture, Credit Suisse First Boston Ltd., maintained its dominant role. But there was a notable shift by Nomura Securities Co., the Japanese investment house, which rose to seventh spot from 10th in the second-quarter global rankings, Securities Data reported.

BUSINESS PEOPLE

Biogen Names New Chief Executive

By Brenda Erdmann
International Herald Tribune

LONDON — Biogen NV has named James L. Vincent as chief executive, filling a post that has been vacant since Walter Gilbert, the 1980 Nobel prize-winner who co-founded the company, resigned abruptly last December.

Mr. Vincent, 46, will also be proposed for election as chairman of the biotechnology company at the next meeting of its board, the company said.

Mark B. Skalsky, who had been acting chief executive of Biogen, continues as its president.

Mr. Vincent joins Biogen from Allied-Signal Inc., where he was group vice president and president of Health & Scientific Products Co., Allied's recent entry into the health-care industry.

Before he joined Allied-Signal in 1982, Mr. Vincent was executive vice president and chief operating officer of Abbott Laboratories Inc. Biogen, which has operations in

Geneva and Cambridge, Massachusetts, makes new pharmaceutical products through genetic engineering. It was founded in 1978.

Regis McKenna Inc. has named Bruce LeBoss president of inter-continental operations. Mr. LeBoss, who will be based in London, formerly was executive vice president and general manager of Regis McKenna, which is based in California and provides marketing and communication services to high-technology companies.

Hamilton Oil Corp. of Denver said that Ernst G. Knapp, president of Volvo Energy Corp. and Bjorn Ahlstrom, president and chief executive of Volvo North America Corp., had been elected directors. This gives Volvo AB, the Swedish automaker and energy concern, four seats on the Hamilton Oil board. Volvo owns about 49.9 percent of Hamilton's outstanding shares.

Sextic Corp., a maker of computer graphic systems based in Herzlia, Israel, has named Arthur Low president. Mr. Low, formerly executive vice president, succeeds Efraim Arazi, who remains chairman and chief executive. Ben-Zion Navach was named to the new post of executive vice president and chief operating officer. He formerly was head of research and development in the Israeli Ministry of Defense.

Master Systems International has named Richard A. Milley as director of marketing for Europe, based in Reading, England. He had been in the Santa Clara, California, head office of the parent, Master Systems Corp., as director of marketing for the western part of the United States. Master designs, makes and services information-management systems within large companies.

F.W. Hols & Co., the Melbourne-based investment banking and stockbroking group, has appointed Els Termaat to the new post of economist, based in London. Among her duties, she will advise Hols clients in Britain, Europe and North America on developments in the Australian economy. Before joining Hols, she had been with Rabobank Nederland, and before that, with the Australian Treasury in Canberra.

(Continued from Page 11)

lia, Israel, has named Arthur Low president. Mr. Low, formerly executive vice president, succeeds Efraim Arazi, who remains chairman and chief executive. Ben-Zion Navach was named to the new post of executive vice president and chief operating officer. He formerly was head of research and development in the Israeli Ministry of Defense.

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(Continued from Page 11)

more because if I did the waiter would be telling the cook, "Hey Charlie, that Remington guy, he don't like the way you cook."

Mr. Kyan gets 1,000 letters a week, most of it fan mail. "I've gotten two marriage proposals."

Other executive stars include

Bernard Matthews, chief executive of Bernard Matthews PLC. Mr. Matthews started the company in the 1950s. In Britain, he is known

as the Turkey King or, alternatively as "Mr. Bootiful." In the television

commercial, Mr. Matthews, a country lad who started out as an auctioneer clerk, says his branded poultry products are "bootiful" in a heavy Norfolk accent.

In the Netherlands, Anton Dreesman, chief executive of Venex International NV, the large

Dutch retail and services group, was the first Dutch chief executive to get on television to sell Express Parcel Systems.

Managers

Wary of TV

(Continued from Page 11)

"There were lots of parties and Chinese dinners and cosmopolitan junketings," he later wrote in his memoirs, "Present Indicative."

"We found some charming new friends," he said, including "three English naval officers with whom we visited many of the lower and gayer haunts of the city."

Noel Coward is gone, and the singing girls are gone, too. But Shanghai is stirring again. The British Mr. Xia of Liberation Daily said: "Yes, we should become one of the great international dynamic cities again. Our strategy should be for Shanghai to become the center, the joining point of two fans — one fan sweeping out to the outside world, the other sweeping in to China."

That could be harder than Mr. Xia supposes. Government leaders and many common people are already distressed by the degree of corruption and pornography and "spiritual pollution" that appear to have blown in through the Open Door.

China Aims to Revive Shanghai's Commercial Importance

(Continued from Page 11)

allow in foreign investment, technology and trade to help China's development.

Mr. Li believes that scarcity of supply is the hallmark of "socialism," by which he means Communist countries. He believes, nevertheless, that with experimentation and a mixture of freedom and planning, the problem can be solved.

He wants to help develop "our own model," combining the best elements of free enterprise and socialism. The Chinese Communists appear to be careful not to say a kind word directly about capitalism, but much of their writing and talking shows a growing appreciation of some of its virtues.

American executives here are more mixed in their reactions to what is going on in Shanghai. Many say there is a great deal of "hype" about the accomplishments of the open-door policy and the efforts to bring more foreign investment here. There are, of course, many Japanese, West German, Dutch and other enterprises here as well: The

list prepared by the American Consulate, a plant with 1,000 workers, a recent fashion show supply to the rest of Paris or Tokyo. The dancing teacher who had trained the show's models said she hoped that someday the Chinese leaders would come to see them and understand what they were doing.

After the show, at a luncheon for foreign visitors to the factory, six Chinese around the table, when asked what country they most admired, responded as follows: Four said "America" and two said "Sweden." The four who said America were the plant's top managers, and the two who chose Sweden were the interpreters.

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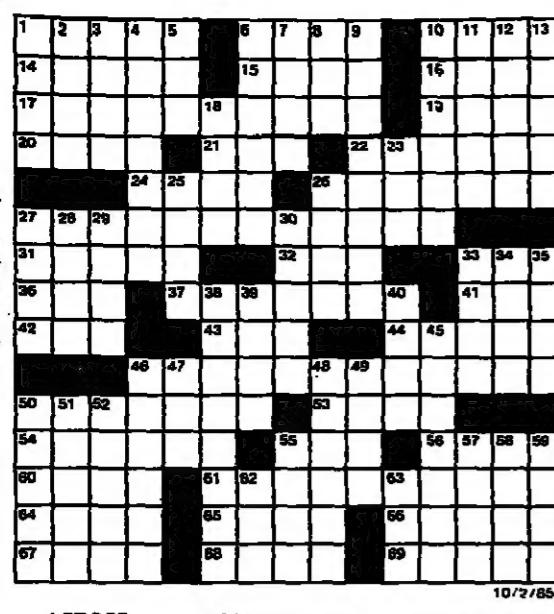
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ACROSS

- 1 Tree at Malibu?
- 6 Film director Fritz
- 23 Yes, to Pierre
- 25 P.M. periods
- 26 Dale's antithesis
- 27 Yugoslav coin like Steven?
- 28 Judd Hirsch roles on TV
- 30 John
- 32 Concerning
- 34 Try to find
- 35 Female jobsters
- 38 End of a poker game
- 39 These may be fine
- 40 Picasso's "Maar Seated"
- 43 Held lovingly
- 46 Forgive's companion
- 47 Rover's scrap
- 48 Bacon serving
- 49 Like the sky over Paris, at times
- 50 Goof-off
- 51 Union general
- 52 Hunger pains
- 53 Town on the Vire
- 57 Hard to come by
- 58 Related symbols of industry
- 59 Ancient Chinese
- 60 All Venetian canal
- 61 Pawnee's cousin
- 62 Dull

DOWN

- 1 Low, in Leon
- 2 N.C. college
- 3 "My word!"
- 4 Party snacks
- 5 "Art of Love" song
- 6 Aztec border lake
- 7 A first name in fashion
- 8 Boat "power"
- 9 Remove from office
- 10 Compound used in explosives
- 11 Enchantment
- 12 Chew the scenery
- 13 Ancient Chinese
- 14 "Tell the Marines!"

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DENNIS THE MENACE



"A BOOK IS LIKE TV, ONLY YOU HAVE TO THINK UP THE PICTURE IN YOUR HEAD."

JUMBLE THAT SCRABLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

KANCK

BUCCI

ABANCA

YUIRPT

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: **□** **□** **□** **□**

Yesterday's Jumble: **ABBOT** **PROXY** **INFLUX** **DAMASK**

Answer: What a chip on the shoulder usually is—**JUST PLAIN "BARK"**

WEATHER

EUROPE

High: C, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Low: A, B, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

AFRICA

High: C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Low: A, B, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

LATIN AMERICA

High: C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Low: A, B, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

NORTH AMERICA

High: C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Low: A, B, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

MIDDLE EAST

High: C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Low: A, B, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

OCEANIA

High: C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Low: A, B, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

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WEATHER

High: C, D, E, F, G, H, I, J,

OBSERVER

Sic Gloria Transit

By Russell Baker

NEW YORK — When we heard that Hurricane Gloria might be coming our way we recalled the old American maxim that says, "When terrified, go shopping." As a result, we now have:

1. Ten gallons of bottled drinking water.

2. A carton of canned cold consomme soup. (Doesn't have to be heated before eating; our electric stove is useless whenever wind takes down the power lines.)

3. Two spare can openers. (Our regular can opener is always lost when it's needed, and the manufacturing industry being what it is these days, by buying two can openers you might get one that works.)

4. A battery-operated radio.

5. A backup set of radio batteries guaranteed to last up to six months. (In case of an unusually long hurricane.)

6. A regular-size flashlight and a giant-size flashlight. (The regular size for lost can openers; the giant size in case we have to go outside — we don't want neighbors to think we can't afford the biggest.)

7. A molded tarpaulin car cover to fit over the automobile. (Guaranteed to keep hurricane-force rains from getting through the car in the windshield.)

8. Forty feet of tarpaulin-car-cover tie-down rope. (When tied to the car cover and lashed around the car axles, this is guaranteed to keep the tarpaulin car cover from blowing away in winds up to 110 miles per hour.)

9. Brightly colored tarpaulin-car-cover kite tail. (If winds exceed 110 mph this will not only give the tarpaulin-car-cover excellent aerodynamic stability in the upper atmosphere but will also, thanks to its bright coloring, make identification and recovery easier after the hurricane.)

10. Three dozen elegantly tapered candles fit for the finest table. (The store had locked up all its cheap candles at the first hurricane warning.)

11. Four silver candelabra which Vincent Price wouldn't be ashamed to be caught in the same haunted house with. (These were a bit pricey, but anything cheaper would not have done credit to the candles.)

12. Six rolls of masking tape for

taping across big window panes to avoid "shrapnel effect" created when high winds propel shards of broken glass through the air. (We don't have any big window panes, but bought the tape anyhow, figuring we could immobilize the cats safely in the cellar by wrapping them mummy-style in masking tape.)

13. Two large tanks of propane gas. (I don't know what to do with propane gas even on a clear day, but the radio said to have some available.)

14. Five gallons of milk and 10 large family-size loaves of bread. (As I explained to an angry woman who protested my taking all the bread and milk left in the store, we have an infant baby in the house.)

15. Three gallons of gin, three gallons of rum, two cases of an unpretentious California zinfandel and two quarts of brandy. (We have an infant baby in the house.)

16. A water-resistant pet signaling collar that can be strapped around cats just like a flea collar. (When cats are blown far away by hurricane winds, the personalized radio signal transmitted by the pet signaling collar on the local police radio frequencies will make it easy for the police to locate and rescue the poor creatures. The signal passes readily through most substances, including masking tape.)

17. Two rowboats fully equipped with oars, bailing buckets, caulking compound and street maps. (To facilitate emergency movement during heavy flooding, we decided on two rowboats since the children were bound to demand the use of one to visit friends.)

18. New cosmetic kit — including comb, hair mouse, spray-on rouge, slip-over teeth caps, etc. — all packaged in a waterproof oil-skin bag. ("Guarantees you can be ready to go on camera in just seconds or less should you be asked for interviews by marauding TV crews during floods, ship disasters at sea, water-main breaks or hurricanes," according to the literature accompanying the warranty.)

19. A cord of wood and a quantity of kindling. (To make toast and warm house while waiting for devastation to be cleared away.)

20. Carrier pigeons to transport vital news reports to printing presses.

New York Times Service

ANNOUNCEMENTS

AID FOR MEXICO'S EARTHQUAKE VICTIMS

The Mexican Embassy in Paris would appreciate kind contributions on behalf of the Mexican Red Cross, the government institution in charge of Mexico's reconstruction.

Please send your check to:

RANQUE PARRAS
17-21 Ave. Raymond Poincaré
7516 PARIS

Acct.: "Sainois du Mexique"
No. 155297 F

The Mexican Embassy thanks you for your solidarity.

HAVE A NICE DAY! BOKE! Have a nice day! BOKE!

EXPLORE YOUR INTERESTS WITH WOMEN IN BUSINESS

Businesswoman's Edition

of the Women's Edition